

AfricaOil
Corp.

Notice of
Annual General
and Special Meeting
and
Management Information Circular

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Notice of the Annual General and Special Meeting of Shareholders

Africa Oil Corp. (“Africa Oil” or the “Company”) invites you to attend its Annual General and Special Meeting of shareholders (the “Meeting”).

Date and Time:

Thursday, April 18, 2019
10:00 am (Pacific Time)

Location:

Suite 2000, 885 West Georgia Street
Vancouver, BC, V6C 3E8

The purpose of the Meeting is as follows:

1. To receive the consolidated audited financial statements and accompanying management discussion and analysis of the Company for the year ended December 31, 2018, together with the report of the auditors;
2. To appoint PricewaterhouseCoopers LLP as auditors of the Company to hold office until the next Annual General Meeting, at a remuneration to be fixed by the directors of the Company;
3. To approve unallocated options under Africa Oil’s Stock Option Plan and reduce the number of shares reserved for issuance under the Stock Option Plan from 5% to 3.5% of the total number of shares that are issued and outstanding, as more particularly described in the accompanying Management Information Circular;
4. To approve amendments to Africa Oil’s stock option plan, as more particularly described in the accompanying Management Information Circular;
5. To consider and, if deemed advisable, to approve an advisory resolution to accept the Company’s approach to executive compensation; and
6. To elect directors to hold office for the ensuing year.

Accompanying this Notice of Meeting are: (i) a Management Information Circular (the “Circular”); (ii) a proxy form or voting instruction form; and (iii) a financial statements request form. Africa Oil’s financial statements are also available on the Company’s website at www.africaoilcorp.com, or under the Company’s profile on SEDAR at www.sedar.com.

If you are unable to attend the Meeting in person, please vote using the proxy form or voting instruction form accompanying this Circular and return it according to the instructions provided before 10:00 a.m. (Pacific time) on April 16, 2019.

DATED at Vancouver, British Columbia the 22 day of March 2019.

Yours Truly,
(Signed) “Keith C. Hill”

Keith Hill
President and Chief Executive Officer

MANAGEMENT INFORMATION CIRCULAR

About Africa Oil

Africa Oil Corp. (“Africa Oil” or the “Company”) is a Canadian oil and gas exploration company with assets in Kenya and Ethiopia. The Company also has exposure to potential high impact exploration plays in other jurisdictions including South Africa, Namibia and Guyana as a result of its equity ownership interests in Africa Energy Corp., Eco (Atlantic) Oil & Gas Ltd. and Impact Oil and Gas Limited. The Company recently signed an agreement to acquire an effective 12.5% interest in a company holding producing assets offshore Nigeria. The completion of that transaction is subject to customary conditions precedent. Please refer to the Company’s press release dated October 31, 2018 for additional details.

General

Africa Oil’s Annual General and Special Meeting of shareholders (the “Meeting”) will be held on **Thursday, April 18, 2019 at 10:00 am (Pacific Time), at Suite 2000, 885 West Georgia Street, Vancouver, BC, V6C 3E8**. This Management Information Circular (“Circular”), provides the Company’s shareholders with important information about the Meeting, the business of the Meeting, and how you can participate and vote.

Financial Information

Africa Oil’s functional and reporting currency is the United States dollar. All currency amounts in this Circular are expressed in United States dollars, unless otherwise indicated.

Voting Procedures if Your Shares Trade on the TSX

The Company’s Management team is soliciting your proxy for the Meeting at Africa Oil’s expense. The Company will solicit proxies either by mail to your address, personally or by telephone by the directors, officers and employees of the Company. As a shareholder who held shares in the Company on March 14, 2019 (“Record Date”), you are entitled to attend the Meeting and vote your shares in person or vote your shares by proxy.

The individuals named in the accompanying form of proxy are directors or officers of the Company who will vote your shares for you, unless you appoint someone else to be your proxyholder. You are entitled to appoint someone else or a company to be your proxyholder. If you appoint another person or company, they must be present at the Meeting to vote your shares on your behalf.

If you return your proxy form and do not indicate how you want to vote your shares, your vote will be cast in favour of:

1. Appointing PricewaterhouseCoopers LLP as auditors of the Company and authorizing the directors of the Company to fix their remuneration;
2. Approving unallocated options under Africa Oil’s Stock Option Plan and reducing the number of shares reserved for issuance under the Stock Option Plan from 5% to 3.5% of the total number of shares that are issued and outstanding;

3. Approving amendments to Africa Oil's stock option plan;
4. Approving an advisory resolution to accept the Company's approach to executive compensation; and
5. Electing as a director each person nominated by Africa Oil.

Voting as a Registered Shareholder

You are a registered shareholder of the Company if your shares are registered in your name and you have a share certificate. You can choose to vote your common shares in the following manner:

In Person You are welcome to attend the Meeting, identify yourself to the representative from Computershare before entering the Meeting, and register your attendance at the Meeting in order to vote.

By Mail If you vote your common shares by proxy by mail, completed forms of proxies must be delivered to the Company's transfer agent, Computershare Investor Services Inc. ("Computershare"), at Proxy Department, at 100 University Avenue, 8th Floor, Toronto, Ontario, Canada M5J 2Y1, in the envelope provided for that purpose.

By Telephone For telephone voting call 1-866-732-VOTE (8683) (toll free in Canada and the United States) from a touch-tone telephone and follow the voting instructions. International holders wishing to vote by telephone can dial 1-312-588-4290 to place their vote. You will need your 15-digit control number which is noted on your proxy form. If you vote by telephone, you cannot appoint anyone other than the appointees named on the proxy form as your proxyholder.

On the Internet For internet voting, go to www.investorvote.com and follow the instructions on the screen. You will need your 15-digit control number which is noted on your proxy form.

Duly completed forms of proxy must be received, or a vote using the telephone or over the Internet must be completed, by no later than **10:00 a.m. (Pacific time) on April 16, 2019**. If you are a beneficial shareholder and receive these materials through your broker or through another intermediary, please complete and return the form of proxy in accordance with the instructions provided by your broker or other intermediary contained in the voting instruction form ("VIF").

If you have any questions concerning the voting of your common shares, please contact Computershare at:

**Mail: Computershare Investor Services
100 University Avenue, 8th Floor
Toronto, ON M5J 2Y1**

Telephone: 1-800-564-6253

Changing Your Vote/Revocation of Proxies

A registered shareholder who has returned a proxy may revoke it at any time before it has been exercised. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing, including a proxy bearing a later date, executed by the registered shareholder or by his attorney authorized in writing or, if the registered shareholder is a Company, under its corporate seal or by an officer or attorney thereof duly authorized. The instrument revoking the proxy must be deposited at the registered office of the Company, at Suite 2600 Oceanic Plaza, 1066 West Hastings Street, Vancouver, British Columbia, V6E 3X1 at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof, or with the Corporate Secretary of the Company or the chairman of the Meeting prior to the time of voting at the Meeting. Only registered shareholders have the right

to revoke a proxy. **Beneficial Shareholders who wish to change their vote must arrange for their respective intermediaries to revoke the proxy on their behalf.**

Voting as a Non-Registered Shareholder

Shareholders who hold their securities through their brokers, intermediaries, trustees or other persons, or who otherwise do not hold their securities in their own name (referred to in this Circular as “**Beneficial Shareholders**”) should note that only proxies deposited by shareholders who appear on the records maintained by the Company's registrar and transfer agent as registered holders of voting securities will be recognized and acted upon at the Meeting. If voting securities are listed in an account statement provided to a Beneficial Shareholder by a broker, those voting securities will, in all likelihood, not be registered in the shareholder's name. Such voting securities more likely will be registered under the name of the shareholder's broker or an agent of that broker. **Each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.**

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their voting securities are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is substantially similar to the instrument of proxy provided directly to registered shareholders by the Company and is commonly referred to as a “**voting instruction form**”. However, its purpose is limited to instructing the registered shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communications Solutions, Canada (formerly, ADP Investor Communications, Canada) (“Broadridge”). Broadridge typically prepares a machine-readable voting instruction form, mails such forms to Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge or otherwise communicate voting instructions to Broadridge (by way of the Internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Beneficial Shareholder who receives a Broadridge voting instruction form cannot use that form to vote their securities directly at the Meeting. The voting instruction forms must be returned to Broadridge (or instructions respecting the voting of securities must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the securities voted. If you have any questions respecting the voting of securities held through a broker or other intermediary, please contact that broker or other intermediary promptly for assistance.** Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting securities registered in the name of his broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered shareholder and vote the securities in that capacity. **Beneficial Shareholders who wish to attend the Meeting and indirectly vote their securities as proxyholder for the registered shareholder should enter their own names in the blank space on the form of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker.**

Voting Procedures if Your Shares Trade on the Nasdaq Stockholm Exchange

The information set forth in this section is of significance to shareholders who hold their securities (“Euroclear Registered Securities”) through Euroclear Sweden AB, which securities trade on Nasdaq Stockholm. Shareholders who hold Euroclear Registered Securities are not registered holders of voting securities for the purposes of voting at the Meeting. Instead, Euroclear Registered Securities are registered under CDS & Co., the registration name of the Canadian Depository for Securities. Holders of Euroclear Registered Securities will receive a VIF by mail directly from Computershare AB (“Computershare Sweden”). Additional copies of the VIF, together with the Company's Circular, can also be obtained from Computershare Sweden and are available on the Company's website (www.africaoilcorp.com). The VIF cannot be used to vote securities directly at the Meeting. Instead, the VIF must be completed and returned to Computershare Sweden, strictly in accordance with the instructions and deadlines that will be described in the instructions provided with the VIF.

If you have any questions concerning how to complete the VIF or respecting the voting of Euroclear Registered Securities, please contact Computershare Sweden at:

Mail: Computershare AB
"General Meeting of Africa Oil Corp."
PO Box 610
SE – 182 16 Danderyd
Sweden

Telephone: +46 (0) 77 24 64 00

E-mail: info@computershare.se

Voting Securities

The Company is authorized to issue an unlimited number of common shares of which 470,567,619 common shares are issued and outstanding as at the Record Date. Each common share is entitled to one vote.

To the knowledge of the directors and executive officers of the Company, Stampede Natural Resources S.a.r.l. beneficially owns or exercises control or direction over, directly or indirectly, 10% or more of the issued and outstanding common shares of the Company. As at the Record Date, Stampede Natural Resources S.a.r.l.'s held 66,569,922 shares in the Company, representing 14.15% of the Company's issued and outstanding shares.

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BUSINESS OF THE ANNUAL GENERAL MEETING

1. Receive Financial Statements and Auditor's Report

The Company's consolidated financial statements for the year ended December 31, 2018 ("Financial Statements"), the accompanying management discussion and analysis for the year ended December 31, 2018 ("MD&A"), and the report of the auditors will be placed before the Meeting. Copies of the Financial Statements, the MD&A, and the auditors' report have been mailed to all registered shareholders and non-registered shareholders (or beneficial shareholders) who have opted to receive such materials. These documents can also be found on the Company's website at www.africaoilcorp.com and are also available on SEDAR at www.sedar.com.

***BE IT RESOLVED** that the consolidated audited financial statements of the Company for the year ended December 31, 2018 together with the report of the auditors thereon as presented, be received.*

2. Appoint Auditors and Authorize Directors to Fix Remuneration

PricewaterhouseCoopers LLP Chartered Accountants ("PwC") has been the Company's auditors since October 8, 2008. The Company's Board of Directors (the "Board") recommends the re-appointment of PwC as auditors of the Company to hold office until the termination of the next annual meeting of shareholders. It is also proposed that the remuneration to be paid to PwC be as determined by the Board.

***BE IT RESOLVED** that PwC be appointed auditors of the Company to hold office until the close of the next annual meeting of shareholders, or until their successors are appointed, at a remuneration to be fixed by the directors.*

Unless otherwise instructed, the named proxyholders will vote FOR the appointment of PwC, as auditors of the Company until the next annual general meeting of shareholders, and to authorize the directors to fix the remuneration of the auditors.

3. Approve Unallocated Options Under the Company's Stock Option Plan, and Reduction of the Share Reserve

Until 2016, the Company utilized stock options as the only form of long-term incentive. As part of a director and executive compensation review in 2015, the Compensation Committee evaluated alternative equity-based compensation vehicles for Non-Employee Directors ("NE Directors") and Executives to improve alignment with the Company's shareholders. At the 2016 Annual General and Special Meeting, shareholders approved a new Long-Term Incentive Plan ("LTIP"), utilizing Restricted Share Units and Performance Share Units to replace the use of stock options for compensation of NE Directors and Executives.

Also at the 2016 Annual General and Special Meeting, the shareholders approved a stock option plan ("Stock Option Plan") which is utilized as a long-term incentive for employees of the Company, other than Executives. Commencing in 2016, no stock options may be awarded to the Company's NE Directors and Executives.

In accordance with the TSX's rules, every three years after institution, all unallocated options, rights or other entitlements under a security-based compensation arrangement which does not have a fixed maximum aggregate of securities issuable, must be approved by a majority of the company's directors, and by the company's security holders.

The Company's Stock Option Plan, as proposed, provides that the aggregate number of shares reserved for issuance upon the exercise of all options granted under the Stock Option Plan may not exceed 3.5% of the issued and outstanding shares of the Company from time to time. To calculate unallocated options, subtract (i) the number of shares issuable pursuant to outstanding options (10,856,667) under the Stock Option Plan from (ii) the number calculated as 3.5% of the issued and outstanding shares at the time. As at the date of this Circular, the Company has 470,567,619 shares issued and outstanding and 10,856,667 shares issuable under existing option grants. This is the equivalent of approximately 2.3% of the issued and outstanding shares of the Company. Accordingly, there are currently unallocated options to purchase 5,613,200 shares under the Stock Option Plan equal to 1.2% of the issued and outstanding shares of the Company.

If Africa Oil's shareholders approve, at the Meeting, the unallocated options under the Stock Option Plan, then the Company will be required to seek similar approval from the shareholders on or before April 18, 2022. If the shareholders do not approve, at the Meeting, the unallocated options under the Stock Option Plan, then the Company will not be permitted to grant any further options under the Stock Option Plan. In that case, previously allocated options will continue to exist without change, however, the Board will not be permitted to grant new options and will not be able to re-allocate outstanding options that have been terminated, cancelled or that have expired unexercised. See Appendix B ("*Summary of Equity Plan Terms*") for a summary of Africa Oil's Stock Option Plan. Shareholders are also welcome to contact the Company for a copy of the Stock Option Plan.

In order to be effective, the following resolutions to approve the unallocated options under the Stock Option Plan must be authorized and approved by a simple majority of votes cast by holders of the Company's shares present in person or represented by proxy and entitled to vote at the Meeting:

BE IT RESOLVED that

- a) *The unallocated options under the Stock Option Plan, as amended from time to time, and the reduction of the aggregate number of shares reserved and issuable under the Stock Option Plan from 5% to 3.5% of the total number of shares that are issued and outstanding, be and are hereby approved and authorized, and the Company shall be permitted to grant options thereunder until April 18, 2022; and*
- b) *Any director or officer of the Company be and is hereby authorized and directed to execute and deliver for and in the name of and on behalf of the Company, whether under its corporate seal or not, all such certificates, instruments, agreements, documents and notices and to do all such other acts and things as in such person's opinion may be necessary or desirable for the purpose of giving effect to this ordinary resolution.*

Unless otherwise instructed, the named proxyholders will vote FOR the approval of the unallocated options under the Company's Stock Option Plan, and the reduction of the aggregate number of shares reserved and issuable under the Stock Option Plan from 5% to 3.5% of the total number of shares that are issued and outstanding.

4. Approve Amendments to the Company's Stock Option Plan

Amendments to the Stock Option Plan

As noted above, Africa Oil's Stock Option Plan was approved by the Company's shareholders on April 19, 2016. At the Meeting, Africa Oil's shareholders will be asked, to approve certain amendments to the Company's Stock Option Plan, including:

- 1) Reflecting current corporate governance best practices;
- 2) Clarifying the statutory withholding requirements upon the exercise of options;
- 3) Clarifying certain participation rights in the Stock Option Plan by US participants;
- 4) Making changes to the amendment provisions of the Stock Option Plan; and
- 5) Other changes of an administrative or clarification nature.

An additional proposed amendment to the Stock Option Plan includes allowing participants to participate in a broker-assisted cashless exercise in respect of their options being exercised under the Stock Option Plan.

See Appendix B ("*Summary of Equity Plan Terms*") for a summary of Africa Oil's Stock Option Plan, and additional details regarding the amendments to the Stock Option Plan. See Appendix C ("*Amended and Restated Stock Option Plan*") for a full blackline highlighting the proposed amendments to the Stock Option Plan. The amendments to the Stock Option Plan have been conditionally approved by the Board and the TSX, subject to shareholder approval.

In order to be effective, the following resolutions to approve the amendments to the Stock Option Plan must be authorized and approved by a simple majority of votes cast by holders of the Company's shares present in person or represented by proxy and entitled to vote at the Meeting:

BE IT RESOLVED that

- a) *The proposed amendments to the Company's Stock Option Plan, as more particularly described in the Circular, be and are hereby approved and authorized, and the Stock Option Plan, as amended, be and is hereby approved; and*
- b) *Any director or officer of the Company be and is hereby authorized and directed to execute and deliver for and in the name of and on behalf of the Company, whether under its corporate seal or not, all such certificates, instruments, agreements, documents and notices and to do all such other acts and things as in such person's opinion may be necessary or desirable for the purpose of giving effect to this ordinary resolution.*

The Company's directors have unanimously approved the amendments to the Company's Stock Option Plan, as the amendments meet current legal and governance best practices. **Unless otherwise instructed, the named proxyholders will vote FOR the approval of the Stock Option Plan Resolution.**

5. Advisory Vote on Executive Compensation (Say on Pay)

The Company voluntarily holds an advisory vote on executive compensation on an annual basis in order to enhance its dialogue with shareholders with respect to its compensation programs. The Company is not proposing any modifications to its existing executive or director compensation programs. We hope our shareholders will carefully review the details of our compensation program to understand how these programs are aligned with our pay-for-performance philosophy and continue to support the Company by once again voting in favour of the Say On Pay resolution.

At last year's annual general meeting of shareholders, the Company's shareholders offered their support by voting 98.94% in favour of the advisory resolution to accept the Company's approach to executive compensation.

Accordingly, at the Meeting shareholders will be asked to consider and vote on the following advisory resolution:

BE IT RESOLVED on an advisory basis only and not to diminish the role and responsibilities of the Company's Board of Directors, that the shareholders of the Company accept the approach to executive compensation disclosed in this Circular.

As this is an advisory vote, the results will not be binding upon the Board. However, the Board will carefully review the outcome of the vote as part of its ongoing review of executive compensation.

The Board unanimously recommends that the shareholders vote FOR the advisory vote on executive compensation and unless instructed otherwise, the persons named in the enclosed form of proxy will vote FOR the advisory vote on executive compensation.

6. Elect Six (6) Directors

The Board is currently comprised of six directors. At the Meeting, you will be given the opportunity to vote for the re-election of the following six (6) nominees recommended by the Company ("Proposed Directors") to hold office until the termination of the next annual meeting of shareholders:

1. Andrew D. Bartlett
2. Bryan Benitz
3. John H. Craig
4. Gary Guidry
5. Keith C. Hill
6. Kimberley Wood

BE IT RESOLVED that the six (6) persons nominated as Proposed Directors be elected as directors of the Company to hold office for the ensuing year or until their successors are elected or appointed.

Management believes that the Proposed Directors can serve as directors of the Company. **Unless otherwise instructed, the named proxyholders will vote FOR the election of the Proposed Directors.**

Majority Voting

The Board has adopted a policy on majority voting that provides that the Chairman of the Board will ensure that the number of shares voted in favour or withheld from voting for each director nominee is recorded and promptly made public after the meeting. If any nominee for director receives, from the shares voted at the meeting in person or by proxy, a greater number of shares withheld than shares voted in favour of their election, the director must immediately tender their resignation to the Chairman of the Board following the meeting, to take effect upon acceptance by the Board. The Corporate Governance and Nominating Committee shall expeditiously consider the director's offer to resign and make a recommendation to the Board whether to accept the offer. Within 90 days of the shareholders' meeting, the Board will make a final decision concerning the acceptance of the director's resignation and announce that decision by way of a news release. Any director who tenders their resignation will not participate in the deliberations of the Board or any of its committees pertaining to the resignation. The policy applies only to uncontested elections, where the number of nominees as directors is equal to the number of directors to be elected. If the director fails to tender their resignation as contemplated in the policy, the Board shall not re-nominate the director. Subject to any corporate law restrictions, where the Board accepts the offer of resignation of a director and that director resigns, the Board may exercise its discretion with respect to the resulting vacancy and may, without limitation, leave the resultant vacancy unfilled until the next annual meeting of shareholders, fill the vacancy through the appointment of a new director whom the Board considers to merit the confidence of the shareholders, or call a special meeting of shareholders to elect a new nominee to fill the vacant position.

Advance Notice

The Company's Articles include an advance notice requirement for the nomination of directors. Advance notice facilitates an orderly meeting and it allows shareholders to receive prior information about the matters to be voted upon at the meeting. If you are interested in nominating someone to the Board, you must have given timely notice in proper written form, within the time periods prescribed by the Company's Articles, to the Corporate Secretary of the Company. The Company did not receive any such nomination in connection with this Meeting.

Director Nominees

Management's nominees to the Board are named in the following tables. The tables below provide you with information about each nominated director, including their holdings in the Company, and their principal occupations during the last five years.



John H. Craig
Ontario, Canada
Chairman of the Board

Director since: 2009
Independent Director
Common Shares: 104,200

2018 Board and Committee Meeting
Attendance Record: 100%

Mr. Craig is the Chairman of the Board and has been since 2016. He is also Counsel to Cassels Brock & Blackwell LLP. He was a practicing lawyer and partner of Cassels Brock & Blackwell LLP until 2016 in the area of securities law with a focus on capital raising and mergers and acquisitions in the resource sector. Mr. Craig has also been involved in the negotiation of mining and oil and gas agreements in a variety of countries. Mr. Craig holds a Bachelor of Arts (Economics) and Bachelor of Laws from the University of Western Ontario, Canada and has served on the boards of several companies with assets located throughout Africa.

Africa Oil Committees:

Corporate Governance and Nominating (Chair)

Additional Public Directorships:

Lundin Mining Corporation
Corsa Coal Corp.
Consolidated HCI Holdings Corporation.

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Keith C. Hill

Florida, U.S.A.

President & Chief Executive Officer

Director since: 2006

Non-Independent Director

Common Shares: 973,341

2018 Board and Committee Meeting

Attendance Record: 100%

Mr. Hill has been the Company's President and Chief Executive Officer since 2009. He was the former Chairman of the Board from 2009 until 2016. Mr. Hill is also the Chairman of ShaMaran Petroleum Corp., an oil development and exploration company. He has over 35 years' experience in the oil industry including over 20 years with the Lundin Group as well as international new venture management and senior exploration positions at Occidental Petroleum and Shell Oil Company. Mr. Hill is a former director of BlackPearl Resources Inc., 3 Sixty Risk Solutions Ltd. (formerly, Petro Vista Energy Corp.), and Tyner Resources Ltd. He is also the former President and Chief Executive Officer of BlackPearl Resources Ltd., Valkyries Petroleum Corp. and ShaMaran Petroleum Corp. His education includes a Master of Science degree in Geology and Bachelor of Science degree in Geophysics from Michigan State University as well as an MBA from the University of St. Thomas in Houston.

Africa Oil Committees:

Reserves

Additional Public Directorships:

Africa Energy Corp. ⁽¹⁾

Eco (Atlantic) Oil & Gas Ltd. ⁽²⁾

ShaMaran Petroleum Corp. - Chairman

TAG Oil Ltd.

(1) The Company owns approximately 34.5% of the issued and outstanding shares of Africa Energy Corp.

(2) The Company owns approximately 18.3% of the issued and outstanding shares of Eco (Atlantic) Oil & Gas Ltd.

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Andrew D. Bartlett

London, United Kingdom

Director since: 2015

Independent Director

Common Shares: 318,036

2018 Board and Committee Meeting

Attendance Record: 100%

Mr. Bartlett has been an Oil and Gas Advisor with Helios Investment Partners since 2011. He has over 30 years of experience in the oil and gas industry. Mr. Bartlett was both the Global Head of Oil and Gas Project Finance and Global Head of Oil and Gas Mergers and Acquisitions at Standard Chartered Bank until July 2011. In the period 1998 to 2001, prior to going into investment banking, he helped to establish Shell Capital, a private equity/mezzanine debt group set up by Royal Dutch Shell to finance small producers in emerging markets. Prior to joining Shell Capital, Mr. Bartlett worked for Royal Dutch Shell as a Petroleum Engineer and Development Manager where he gained extensive experience in developing and operating oil and gas fields. His postings included the North Sea, Netherlands, Somalia, New Zealand and Syria.

Africa Oil Committees:

Audit (Chair)

Compensation

Corporate Governance and Nominating

Project Finance (Chair)

Additional Public Directorships:

Energiean O&G plc



Gary S. Guidry

Alberta, Canada

Director since: 2008

Independent Director

Common Shares: 100,000

2018 Board and Committee Meeting

Attendance Record: 100%

Mr. Guidry has been the President and Chief Executive Officer of Gran Tierra Energy Inc., a company focused on oil and gas exploration and production in Colombia, since 2015. Mr. Guidry is a former Chief Executive Officer of Caracal Energy Inc. from 2011 to 2014. Mr. Guidry has also served as President and CEO of Orion Oil & Gas Corp., Tanganyika Oil Company Ltd., and Calpine Natural Gas Trust. He is a former director of Zodiac Exploration Corp., and TransGlobe Energy Corp. Mr. Guidry has directed exploration and production operations in Yemen, Syria and Egypt and has worked for oil and gas companies around the world in the U.S., Colombia, Ecuador, Venezuela, Argentina and Oman. Mr. Guidry is an Alberta-registered professional engineer (P. Eng.) and holds a B.Sc. in petroleum engineering from Texas A&M University.

Africa Oil Committees:

Audit

Compensation (Chair)

Reserves (Chair)

Additional Public Directorships:

Gran Tierra Energy Inc.

PetroTal Corp. (formerly Sterling Resources Ltd.)



Bryan M. Benitz

Wiltshire, United Kingdom

Director since: 2009

Independent Director

Common Shares: 172,000

2018 Board and Committee Meeting

Attendance Record: 100%

Mr. Benitz is a corporate director. He graduated from Fettes College, Edinburgh in 1951. After serving as an officer in the British Army, 1953-1958, he emigrated to Toronto and joined Wisener & Partners Ltd., an investment broker specializing in the oil and gas and mining industries in North America. He became the member seat holder on the Toronto and New York Stock Exchanges before returning to London in 1982. On leaving the investment banking industry, he became co-founder and Chairman of the following companies: Longreach Oil & Gas Ltd, Kirrin Resources, Scandinavian Minerals Ltd., and MagIndustries Corp. Bryan also was the founding director of Tanganyika Oil Company Ltd. until it was sold to Sinopec in 2009.

Africa Oil Committees:

Audit



Kimberley Wood

London, United Kingdom

Director Since: 2018

Independent Director

Common Shares: Nil

2018 Board and Committee Meeting

Attendance Record: 100%

Ms. Wood has almost 20 years' experience as an energy lawyer. Most recently she was a Partner and Head of Oil & Gas for EMEA at Norton Rose Fulbright LLP and remains a Senior Consultant for the Firm. Previously she was a Partner at Vinson & Elkins LLP from 2011 to 2015. Ms. Wood qualified as a Solicitor in England & Wales in 2001 at the US firm of LeBoeuf, Lamb, Greene & MacRae LLP. She was included as an expert in Energy and Natural Resources in the 2018 "Expert Guide" series, and the 2018 Women in Business Law series. She is also an Independent Non-Executive Director of Gulfkeystone Petroleum Company Limited, an LSE listed E&P company focused on Kurdistan, and a member of the Advisory Board to the City of London Geological Forum.

Africa Oil Committees:

Compensation

Corporate Governance and Nominating Committee

Project Finance

Additional Public Directorships:

Gulfkeystone Petroleum Company Limited

Cease Trade Orders, Bankruptcies, Penalties, or Sanctions

Other than as disclosed below, no director or executive officer of the Company is, as at the date of the Circular, or has within the ten (10) years before the date of the Circular, been a director, chief executive officer, or chief financial officer of any company (including Africa Oil) that: (i) was the subject of a cease trade order or an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than thirty (30) consecutive days that was issued (A) while that individual was acting in such capacity; or (B) after that individual ceased to act in that capacity and which resulted from an event that occurred while that person was acting in such capacity; or (ii) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver-manager or trustee appointed to hold its assets (A) while that person was acting in such capacity, or (B) within a year of that person ceasing to act in that capacity.

Other than as disclosed below, a) no director or executive officer of the Company has, within the ten (10) years before the date of the Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold that person's assets; and b) no director, executive officer, or shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company is, or has been, the subject of any penalties or sanctions (A) imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority, or (B) imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor in making an investment decision.

Mr. John Craig was a director of Sirocco Mining Inc. ("Sirocco") until November 2013. Sirocco was financially solvent at the time of Mr. Craig's resignation. In October 2014, RB Energy Inc., a successor company to Sirocco, commenced proceedings under the Companies' Creditors Arrangement Act and an order for creditor protection was issued by the Quebec Superior Court on October 14, 2014. The TSX de-listed RB Energy Inc.'s common shares in November 24, 2014 for failure to meet the continued listing requirements of the TSX. Mr. Craig was never a director, officer or insider of RB Energy Inc. He was, however, a director of Sirocco within the 12-month period prior to RB Energy Inc. filing under the CCAA.

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CORPORATE GOVERNANCE

The Company is committed to effective corporate governance and the Board believes that strong corporate governance improves the Company’s performance and investor confidence. The following describes the Company’s current corporate governance practices. The Company continually reviews its corporate governance practices, as well as ongoing developments in corporate governance best practices in Canada and elsewhere, in order to determine if additional steps are required to improve its corporate governance practices in light of its stage of development and evolving best practices and regulatory guidance

How Africa Oil Selects its Board Members

Experience and Skills Assessment

The Corporate Governance and Nominating Committee is responsible for identifying individuals qualified to become new Board members and recommending to the Board the director nominees for each annual meeting of shareholders. In identifying possible nominees to the Board, the Corporate Governance and Nominating Committee considers the competencies and skills necessary for the Board as a whole, the skills of existing directors and the competencies and skills each new nominee will bring to the Board, as well as whether or not each nominee will devote sufficient time and resources to the Board. The Corporate Governance and Nominating Committee also annually reviews and makes recommendations to the Board with respect to: (i) the size and composition of the Board; (ii) the appropriateness of the committees of the Board; and (iii) the effectiveness and contribution of the Board, its committees and individual directors, having reference to their respective mandates, charters and position descriptions.

The table below summarizes the skills and experience and background of the current members of the Board based on information provided by such individuals.

	Bartlett	Benitz	Craig	Guidry	Hill	Wood
Financial literacy	√	√	√	√	√	√
Sound business experience	√	√	√	√	√	√
Governance knowledge	√	√	√	√	√	√
Industry Knowledge	√	√	√	√	√	√
Government relations	√	√		√	√	√
Operations experience	√	√	√	√	√	√
Strong ties to financial communities	√	√	√	√	√	√
Financing and M&A	√	√	√	√	√	√
Strong board skills and experience	√	√	√	√	√	√

Diversity

The Company recognizes the importance of diversity, and the benefits of having a board and executive officers with varying characteristics including, but not limited to, religious and political beliefs, gender, ethnicity, education, socioeconomic background, sexual orientation and geographic location, as diversity enhances the decision making of the Board and at senior management levels. In 2017, the Board adopted a Board and Executive Officer Gender Diversity Policy (the “Diversity Policy”). This policy formalizes Africa Oil’s commitment to promote diversity, in particular gender diversity, on the Company’s Board and in Executive Officer positions.

Measures taken to ensure the Diversity Policy is effectively implemented include the commitment imposed on the Corporate Governance and Nominating Committee to actively seek out highly qualified women to include in the pool from which new board nominees are evaluated and chosen. This commitment is documented in the *“Guidelines for the Composition of Africa Oil’s Board”* as found in the Mandate of the Corporate Governance and Nominating Committee and approved by the Board.

With regard to a gender diversity objective for executive officer positions and senior management positions, the Corporate Governance and Nominating Committee did not recommend a specific target be set given the infrequent turnover of executive and senior management level positions. The Board agrees that such appointments should be reviewed with the level of representation of women in executive officer positions in mind and, consistent with the Diversity Policy, that management of the Company, as part of the hiring process of such positions: (i) actively seek out women having the necessary skills, knowledge and experience to evaluate as potential candidates; and (ii) appointments be made based on a balance of criteria, including the merit, and experience of the candidate plus the needs of the Company at the relevant time.

Pursuant to the Diversity Policy, the Corporate Governance and Nominating Committee is mandated to discuss targets for promoting diversity and make recommendations to the Board. While the Board and Corporate Governance and Nominating Committee have not adopted any formal quotas or targets specifically addressing the level of representation of women on its board or in executive officer positions, it is committed to advancing women, and other individuals representing a diversity of backgrounds, into leadership roles through its talent management, learning development, and succession planning processes.

Independence

The Corporate Governance and Nominating Committee and the Board reviews each directors’ independence upon their nomination and appointment, and also on an annual basis, using the standards of the Canadian Securities Administrators in National Instrument 52-110 *Audit Committees* (“NI 52-110”) and the National Policy 58-201 *Corporate Governance Guideline*. This is in an attempt to have the Company’s Board be accountable and perform effectively and transparently.

The majority of Africa Oil’s current directors and its director nominees are independent for the purposes of Board membership. In addition, the Board is led by Mr. John Craig, who is an independent director. Mr. Keith Hill is the only director that is not considered independent by virtue of his role as President & Chief Executive Officer of the Company. The Board has functioned and is of the view that it can continue to function, independently of management, as required. At each meeting of the Board, Audit or Compensation Committee, a determination is made as to whether an in-camera session, without management present, is required.

Orientation and Continuing Education

Orientation

Once a new Board member is welcomed to the Company, they are provided with the orientation and education program as developed by the Corporate Governance and Nominating Committee. The measures that the Board takes in connection with orienting new board members regarding the role of the Board, its directors, the committees of the Board and the nature and operation of the Company’s business include providing each new member with information concerning the role and responsibilities of a public company director and discussing with new members the Company’s operations. New directors are also provided the opportunity to meet with management of the Company. As each director has a different set of skills and professional background, the Board seeks to tailor the orientation of new members according to the needs and experience of each new director.

Continuing Education

The Company encourages continued education for its directors. The Board ensures that all directors are kept apprised of changes in the Company’s operations and business and changes in the regulatory environment and governance

trends. The Company arranges for legal counsel and industry experts to provide status updates and education. Board members may also attend external education seminars, at the Company's expense, that they determine necessary to keep themselves up-to-date with current issues relevant to their services as directors of the Company.

Mandate of the Board

The Board has a formal mandate (See *Appendix A*) that lists specific responsibilities, including:

- Approve the strategic direction of the Company;
- Identify principal risks of the Company's business and ensure implementation of appropriate risk management systems;
- Ensure the Company has management of the highest caliber; and
- Oversee the Company's methods of communication with its shareholders and the public generally.

In addition, the Board holds face-to-face, in person, strategy sessions at least once per year. The Board discharges its responsibilities either directly or through its committees. Each committee has a written charter which governs the conduct of such committee.

Board Committees

Audit Committee

The Company's Audit Committee is comprised of three directors, namely Mr. Andrew Bartlett (Chair), Mr. Gary Guidry and Mr. Bryan Benitz. Each member of the Audit Committee is independent of the Board and financially literate, as those terms are defined in NI 52-110 and has the requisite education and experience for the performance of their duties as a member of the Company's Audit Committee.

The Audit Committee oversees the accounting and financial reporting processes of the Company and its subsidiaries and all audits and external reviews of the financial statements of the Company on behalf of the Board, and has general responsibility for oversight of internal controls, accounting and auditing activities of the Company and its subsidiaries. All auditing services and non-audit services to be provided to the Company by the Company's auditors are pre-approved by the Audit Committee.

The Committee is responsible for examining all financial information, including annual and quarterly financial statements, prepared for securities commissions and similar regulatory bodies prior to filing or delivery of the same. The Audit Committee also oversees the annual audit process, quarterly review engagements, the Company's internal accounting controls, the Code of Business Conduct and Ethics, any complaints and concerns regarding accounting, internal controls or auditing matters and the resolution of issues identified by the Company's external auditors. The Audit Committee recommends to the Board the firm of independent auditors to be nominated for appointment by the shareholders and the compensation of the auditors. The Audit Committee meets a minimum of four times per year. As required by NI 52-110, information about the Company's Audit Committee is provided in the Company's most recent Annual Information Form ("AIF") under "Audit Committee". The AIF may be obtained from the Company's disclosure documents available on the SEDAR website at www.sedar.com.

Compensation Committee

The Compensation Committee consists of three directors, namely, Mr. Gary Guidry (Chair), Ms. Kimberley Wood and Mr. Andrew Bartlett, all of whom are independent as that term is defined in NI 52-110. All members of the Compensation Committee have direct experience which is relevant to their responsibilities as Compensation Committee members. All members have a good financial understanding which allows them to assess the costs versus benefits of compensation plans. The members' combined experience in the resource sector provides them with an understanding of the Company's success factors and risks, which is very important when determining metrics for measuring success.

The Compensation Committee's mandate includes reviewing and making recommendations to the Board in respect of compensation matters relating to the Company's executives which are identified in the "Summary Compensation Table" below. The Compensation Committee is responsible for:

- evaluating the CEO's performance and establishing executive and senior officer compensation;
- administering the Company's policy on remuneration;
- preparing the Board for decisions on matters relating to the principles of remuneration, and other terms of employment of the executive management;
- monitoring and evaluating programs for variable remuneration for the executive management and the current remuneration structures and levels within the Company, including the extent and level of participation in incentive programs, in conjunction with the Board; and
- delivering an annual statement on executive compensation.

The Compensation Committee has also been mandated to review the adequacy and form of annual compensation for non-executive directors to ensure that such compensation realistically reflects the responsibilities and risks involved in being an effective director. The Compensation Committee meets at least once annually.

Corporate Governance and Nominating Committee

The Board's Corporate Governance and Nominating Committee is comprised of Mr. John Craig (Chair), Ms. Kim Wood, and Mr. Andrew Bartlett, each of whom is independent as that term is defined in NI 52-110.

The Corporate Governance and Nominating Committee is responsible for developing and monitoring the Company's approach to corporate governance issues. The Committee oversees the effective functioning of the Board, oversees the relationship between the Board and management, and has the responsibility to take initiatives to ensure that the Board can function independently of management including, without limitation, recommending to the Board mechanisms, including the appointment of a committee of directors independent of management, to allow directors who are independent of management an opportunity to discuss the Company's affairs in the absence of management

The roles and responsibilities of the Corporate Governance and Nominating Committee include the following:

- identify, review the qualifications of, and recommend to the Board possible nominees for the Board;
- assess directors on an ongoing basis and oversee the effective functioning of the Board, including the orientation and education of new recruits to the Board;
- assess the Board's committee structure on an ongoing basis and recommend changes where appropriate;
- oversee the relationship between management and the Board and recommend improvements to such relationship;
- review the size and composition of the Board and committee structure;
- review the appropriateness of the terms of the mandate and responsibilities of the Board and the charters, mandates and responsibilities of each of the committees; and
- undertake such other initiatives as are needed to assist the Board in providing efficient and effective corporate governance for the benefit of shareholders.

The Corporate Governance and Nominating Committee of the Board may engage an outside consultant to assist in identifying qualified candidates for the Board. The nominees for directors are initially considered and recommended by the Corporate Governance and Nominating Committee of the Board, approved by the entire Board and appointed by the Company or elected by shareholders, as required.

The Corporate Governance and Nominating Committee meet at least once annually.

Reserves Committee

The Company has a standing Reserves Committee that is comprised of a majority of independent directors. The current Reserves Committee members are Mr. Gary Guidry (Chairman), Mr. Keith Hill, and Mr. Andrew Bartlett. The Reserves Committee is responsible for developing the Company's approach to the reporting of oil and gas resources and/or reserves and the valuation of those resources/reserves. The Reserves Committee meets at least once annually.

Project Finance Committee

In 2016, the Board formed a special committee, the "Project Finance Committee" that is comprised of independent directors; namely, Mr. Andrew Bartlett (Chairman) and Ms. Kimberley Wood. The Company's Chief Financial Officer, Mr. Ian Gibbs, is also a member of this committee. The Project Finance Committee is responsible for overseeing the process of project financing for the Company's pipeline project in Kenya (the "Project Financing"), and for receiving, reviewing, assessing and making recommendations to the Board regarding the proposals received for the Project Financing. The Project Finance Committee meets at least once annually.

Chair of the Board and Chief Executive Officer Roles

Chair of the Board

The Chairman of the Board, Mr. John H. Craig, is responsible for the Board administration with the support and assistance of the CEO and other senior management at Africa Oil. These responsibilities include, but are not limited to, presiding as Chairman of all meetings of the Board, setting the meeting agenda, and ensuring the Board is organized properly and meets its obligations and responsibilities. The Chair is also responsible for ensuring the Board has a strategic focus and represents the best interests of the Company, acting as the liaison between the Board and the CEO as well as other members of management when required, and ensuring the Board is operating effectively. The Chair represents Africa Oil, at the request of the CEO, to shareholders and external stakeholders and acts as the primary spokesperson for the Board. The Chairman and the CEO work together to ensure that all matters of importance are brought to the Board's attention in a timely manner to allow for fulsome discussions of critical issues.

Chief Executive Officer

The Chief Executive Office, Mr. Keith C. Hill, is responsible for directly overseeing the day to day operations of Africa Oil. The CEO is the leader of an effective and cohesive management team and sets the tone for management by exemplifying values of performance in enhancing shareholder value and advancing the direction of Africa Oil, consistently forwarding the Company's vision and strategy and bearing the chief responsibility of ensuring that Africa Oil meets its short-term operational and long-term strategic goals. The CEO works with, and is accountable to, the Board.

Board Assessments

The Corporate Governance and Nominating Committee oversees a process to self-assess Board effectiveness. This assessment questions directors on various company matters and board performance including their level of satisfaction with the functioning of the Board as a whole, its interaction with management and the performance of the standing committees of the Board. Board members conduct peer reviews and a self-assessment regarding their effectiveness as a Board member as part of this assessment process. To ensure the assessment process is candid, the individual assessments are returned on a confidential basis to the Chair of the Corporate Governance and Nominating Committee with a copy to the Corporate Secretary. The results are compiled for the Corporate Governance and Nominating Committee. The Corporate Governance and Nominating Committee reviews and discusses the results and makes recommendations to the Board regarding any action that may be deemed necessary or advisable to ensure the Board continues to function effectively and adequately perform its mandate. The Board aims for a 100% compliance rate for completion of the assessment by directors, which was achieved this year. Following the assessment process held in Q4 of 2018, the directors concluded that the Board and the Board Committees function effectively.

Ethical Business Conduct

Code of Business Conduct and Ethics

The Board oversees compliance with the Company's Code of Business Conduct and Ethics (the "Code") through the Audit Committee, which monitors compliance with the Code. It is the responsibility of all directors, officers, and employees to report promptly any suspected violation of the Code to the Company's legal counsel. Directors, officers or employees who have concerns or questions about violations of laws, rules or regulations, or of the Code, are required to report them to the Company's external legal counsel. Following the receipt of any complaints submitted hereunder, the Company's legal counsel will investigate each matter so reported and report to the Board, which will take corrective disciplinary actions, if appropriate, up to and including termination of employment of those violating laws, rules, regulations or the Code. The Code is available on the Company's website at www.africaoilcorp.com.

Whistleblower Policy

The Company has also established an Internal Employee Alert Policy ("Whistleblower") to encourage employees, officers and directors to raise concerns regarding accounting, internal controls or auditing matters, on a confidential basis free from discrimination, retaliation or harassment. The Company does not tolerate any retaliation for reports or complaints regarding suspected violations of the Code that were made in good faith. There has been no departure from the Code during the Company's most recently completed financial year. All directors, officers and employees have an obligation to act in the best interest of the Company. Any situation that presents an actual or potential conflict between a director, officer or employee's personal interest and the interests of the Company are to be reported to the Company's legal counsel.

Anti-Corruption Policy

The Company has adopted an Anti-Corruption Policy with the intention of ensuring that the Company's business is conducted in a manner that does not violate the anti-corruption laws of Canada, and/or any other country in which the Company does business or has a presence.

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DIRECTORS' COMPENSATION

Annual Retainer

When considering pay levels, the Compensation Committee considers the all Canadian pay peer group, comprised of Canadian companies with international operations. Acknowledging the Board's additional responsibility and liability for overseeing Africa Oil's international operations and global shareholder base, the Committee believes the midpoint between median and 75th percentile to be an appropriate target pay position. The Committee determined that a flat fee structure continues to be appropriate given the size and makeup of the Company's Board. As such, no meeting fees are paid to directors. Each director is entitled to an annual retainer as provided in the chart below. John Craig, as Chairman of the Board, is entitled to an additional annual retainer to reflect his added level of responsibility.

Component	Director Compensation	Board Chairman Additional Retainer
Cash Retainer	CAD\$60,000	CAD\$20,000
Equity Retainer (RSUs)	CAD\$120,000	CAD\$30,000

Long-Term Incentive Plan

Until 2016, Non-Employee Directors ("NE Directors") received their equity retainer in the form of stock options. As part of the director compensation review, the Committee evaluated alternative equity-based compensation vehicles for NE Directors to improve alignment with the Company's shareholders. At the 2016 Annual General and Special Meeting, shareholders approved a Long-Term Incentive Plan ("LTIP") to replace the use of stock options.

Under the LTIP, RSUs track the value of our common shares. RSUs granted to NE Directors vest on the third anniversary of the date of grant, at which time they are settled in shares, with the number of shares to be issued being equal to the number of RSUs vested plus any dividends paid.

Committee Fees

Directors serving on a board committee are entitled to an additional cash retainer of CAD\$5,000 per membership, and committee chairs are additionally entitled to the following retainers:

Committee	Chair Retainer
Audit Committee	CAD\$10,000
Compensation Committee	CAD\$7,500
Corporate Governance & Nominating Committee	CAD\$7,500
Reserves Committee	CAD\$7,500
Project Finance Committee	CAD\$10,000

Fees for Directors

In the table below, we outline the total expected annual compensation for our NE Directors, based on the compensation program approved by the Board, and the Board committee compensation as at December 31, 2018.

Name	Cash Retainer (CAD\$)	Committee Chair/ Member Fees (CAD\$)	Total Cash Retainer (CAD\$)	Equity Retainer (CAD\$)	Total (CAD\$)
John Craig	\$80,000	\$7,500	\$87,500	\$150,000	\$237,500
Gary Guidry	\$60,000	\$20,000	\$80,000	\$120,000	\$200,000
Bryan Benitz	\$60,000	\$5,000	\$65,000	\$120,000	\$185,000
Andrew Bartlett	\$60,000	\$35,000	\$95,000	\$120,000	\$215,000
Kimberley Wood	\$60,000	\$15,000	\$75,000	\$120,000	\$195,000

Cash and equity retainer

Prior to the review and redesign of director compensation practices in 2016, directors at Africa Oil received an annual cash retainer and grant of stock options in recognition of their service on the Board. Since January 2016, no further option awards will be granted to NE Directors of Africa Oil. We believe that, given the NE Director's role of corporate oversight at Africa Oil, granting RSUs in accordance with the LTIP is better suited to building long-term ownership at the NE Director level.

Fees Earned by Directors in 2018

Name	Fees Earned/Paid	Option-based awards	Share-based awards	Non-equity incentive plan compensation	All other compensation	Total
	(\$) ⁽¹⁾	(\$) ⁽²⁾	(\$) ⁽³⁾	(\$)	(\$)	(\$)
Gary Guidry	61,260	Nil	114,615	Nil	Nil	175,875
Bryan Benitz	51,131	Nil	91,692	Nil	Nil	142,823
John Craig	72,837	Nil	91,692	Nil	Nil	164,529
Andrew Bartlett	73,319	Nil	91,692	Nil	Nil	165,011
Kim Wood	37,777	Nil	91,692	Nil	Nil	129,469

(1) Fees earned by directors are paid in Canadian dollars and converted to United States dollars for reporting purposes.

(2) Directors do not receive stock options.

(3) RSU's granted to NE directors vest on the third anniversary of the date of grant.

Directors' Outstanding Option Based Awards and Share Based Awards

The table below sets forth, for each of our NE Directors, all option-based and share based awards outstanding as at December 31, 2018. Prior to 2016, options were awarded to the Company's NE Directors to promote alignment with shareholders' interests, in recognition of the Board members' stewardship and to ensure such NE Directors continued to add value based on their extensive experience and in-depth knowledge of the international oil and gas business.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (CAD\$)	Option expiration date (Y/M/D)	Value of unexercised in-the-money options (\$) ⁽¹⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$) ⁽²⁾⁽³⁾	Market or payout value of vested share-based awards not paid out or distributed (\$)
Gary S. Guidry	144,000	\$2.48	2020/01/23	Nil	94,500	74,813	Nil
					55,300	43,780	Nil
					58,000	45,917	Nil
Bryan M. Benitz	144,000	\$2.48	2020/01/23	Nil	94,500	74,813	Nil
					55,300	43,780	Nil
					58,000	45,917	Nil
John H. Craig	144,000	\$2.48	2020/12/22	Nil	118,100	93,497	Nil
					69,124	54,724	Nil
					72,000	57,000	Nil
Andrew Bartlett	150,000	\$1.98	2020/11/18	Nil	94,500	74,813	Nil
					55,300	43,780	Nil
					58,000	45,917	Nil
Kim Wood	Nil	Nil	Nil	Nil	95,238	75,397	Nil

- (1) Calculated using the closing price of the common shares on the Toronto Stock Exchange on December 31, 2018 of CAD\$1.08 and subtracting the exercise price of in the money stock options. As at December 31, 2018, these stock options had not been, and may never be, exercised and actual gains, if any, on exercise will depend on the value of the common shares on the date of exercise.
- (2) Calculated using the closing price of the common shares on the Toronto Stock Exchange on December 31, 2018 of CAD\$1.08.
- (3) Converted to US\$ using the exchange rate at December 31, 2018 of US\$1.00 = CAD\$1.3642.

Value of Equity Compensation Vested or Earned in 2018

Until 2016, Non-Employee Directors (“NE Directors”) received their equity retainer in the form of stock options. No options vested in 2018. Under the LTIP, RSUs granted to NE Directors vest on the third anniversary of the date of grant, with the number of shares to be issued being equal to the number of RSUs vested plus any dividends paid. No RSUs vested in 2018.

Name	Option-based awards – Value vested during the year (\$)	Share-based awards - Value vested during the year (\$) ⁽¹⁾	Non-equity incentive plan compensation - Value earned during the year (\$)
Gary S. Guidry	Nil	Nil	Nil
Bryan M. Benitz	Nil	Nil	Nil
John H. Craig	Nil	Nil	Nil
Andrew Bartlett	Nil	Nil	Nil
Kim Wood	Nil	Nil	Nil

⁽¹⁾ The first vesting of NE Director RSUs will occur in 2019.

Director Share Ownership Guidelines and Compliance

In 2016, the Board approved the introduction of share ownership guidelines for NE directors in order to better align NE Director interests with shareholders. These guidelines were revised in 2017 and NE Directors are now required to own shares having a value equal to two times their annual cash retainer within five years following the later of their date of initial election or appointment, or implementation of these guidelines. The value of the shares owned or purchased for the purpose of these calculations is based on the average closing price of the Company’s shares on the Toronto Stock Exchange for the 20 trading days preceding and including December 31 of the prior calendar year. The following table compares each NE Director’s common share as at December 31, 2018, relative to their ownership guideline:

Individual	Minimum Share Ownership (2x base cash retainer) (CAD)	Number of Shares Owned at December 31, 2018 (#) ⁽¹⁾	Number of Unvested RSU’s at December 31, 2018 (#)	Value of Ownership on December 31, 2018 ⁽²⁾ (CAD)	Meets Guidelines
John H. Craig	\$120,000	104,200	259,224	\$403,401	Yes
Gary S. Guidry	\$120,000	100,000	207,800	\$341,658	Yes
Bryan M. Benitz	\$120,000	172,000	207,800	\$421,578	Yes
Andrew D. Bartlett	\$120,000	318,036	207,800	\$583,678	Yes
Kimberley Wood ⁽³⁾	\$120,000	0	95,238	\$105,714	No

(1) Information provided by each individual director.

(2) Based on the average closing price of the Company’s shares on the Toronto Stock Exchange for the 20 trading days preceding, and including, December 31, 2018 which was CAD\$1.11.

(3) Joined the Board in 2018, and is in progress to meeting the share ownership for NE Directors

STATEMENT OF EXECUTIVE COMPENSATION

Letter to Shareholders

Fellow Shareholders:

We are pleased to provide you with the following Compensation Disclosure and Analysis which will assist you in understanding our compensation philosophy and practices. We believe in providing transparent disclosure to help our shareholders understand the compensation paid to our executives, and the rationale behind our decisions.

2018 Performance Highlights

- Our balance sheet remains strong, ending 2018 with \$370 million of cash and debt free;
- \$75 million of advance development carry payments received from Total, more than offsetting \$45 million of intangible exploration expenditures incurred primarily in Kenya;
- Increased our exposure to high impact exploration, investing an additional \$18 million in Africa Energy Corp. (TSXV: AFE or Nasdaq Stockholm: AFE) and \$29 million in Impact Oil and Gas Limited;
- Investments in exploration companies provides exposure to multiple near term, potentially high impact, oil and gas exploration opportunities in jurisdictions including South Africa, Guyana and Namibia;
- In February 2019, an oil and gas discovery was announced in Blocks 11B/12B (operated by Total), offshore South Africa, in which Africa Oil has exposure via our ownership of Africa Energy (34.5% ownership) and Impact (30.1% ownership);
- Announced transformative acquisition, in conjunction with Vitol Investment Partnership II Ltd. and Delonex Energy Ltd. to acquire a 50% ownership interest in Petrobras Oil and Gas B.V. (POGBV). Africa Oil's effective ownership interest in POGVB will be 12.5%. The primary assets of POGVB are an indirect 8% interest in Oil Mining Lease (OML) 127, which contains the producing Agbami Field and an indirect 16% interest in OML 130, which contains the producing Akpo and Egina Fields. Acquisition provides exposure to multiple low-cost, well operated oil producing fields, generating significant free cash flow, in deep water offshore Nigeria. The transaction is subject to customary conditions precedent, including Nigerian Government consent;
- Kenya development planning continued to progress, associated with the discovered oil resources in the South Lokichar basin (Blocks 10BB and 13T (Kenya)), targeting a Final Investment Decision (FID) in late 2019 and First Oil in 2022;
- Key Kenya workstreams relating to Front-end Engineering and Design (FEED) and the Environmental Social Impact Assessments (ESIAs) of the upstream and pipeline commenced in mid-2018. Extended injection and production testing also took place with results in line with expectations. Dynamic data from these tests has materially assisted with the development plan for the initial stage of development. Key upstream components such as well count, well spacing and CPF design are now well defined. In 2019, several critical tasks must be completed in order to reach FID by year end. These tasks include completing commercial framework agreements with the Government of Kenya, finalising FEED studies and agreements over land title and water supply with the Government of Kenya in the first quarter of 2019 and submitting the mid-stream ESIA in the second quarter;
- The transfer of stored crude oil from Turkana to Mombasa by road commenced during 2018, currently transporting approximately 600 bopd and this is expected to increase to 2,000 bopd once the Early Oil Production System is fully operational. So far, over 60,000 barrels of oil have been transported to Mombasa. A maiden lifting of Kenyan crude oil is expected in mid-2019.

2018 Compensation Decisions

Taking into consideration the accomplishments and challenges during the year as well as share price performance, the Executive were awarded short term incentive payouts ranging from 59% to 90% of target payout. In an effort to further increase the alignment between the Executives' long-term compensation and successful execution of the Company's strategy, the Compensation Committee and the Board amended the weighting of the LTIP mix to 75% PSUs and 25% RSUs for Executives in 2018 and to 80% PSUs and 20% RSUs for Executives in 2019. Following an updated compensation benchmarking analysis, completed during 2018, no amendments were made to our Executive and Director compensation practices, including base pay, target STIP and target LTIP. Interim performance assessments of all outstanding PSUs are significantly below target, with the expected performance factor for the upcoming vesting of PSUs estimated to be below 50% of target.

In reaching these decisions, the Compensation Committee considered, in addition to the updated benchmarking analysis, the Executive's realized compensation earned during the three-year period since the Company's pay practices were significantly modified, commencing in 2016. As a percentage of Target Total Direct Compensation over this period, the CEO's realized compensation has ranged between 35% and 49%. The remainder of the Executive's realized compensation, over the same period, has ranged between 38% and 54% of Target Total Direct Compensation.

Our shareholders are also being asked to approve amendments to the Stock Option Plan. The Stock Option Plan continues to be utilized as a form of long-term incentive for employees of the Company. Directors and Executive do not receive stock options. The share reserve being proposed to our shareholders has been reduced to 3.5%, in comparison to 5% which was previously approved at the 2016 AGM.

Considerable enhancements were made to our governance and pay practices in advance of the 2016 AGM which resulted in Shareholder approval of both the Company's new Long-Term Incentive Plan and the Company's Advisory Votes On Executive Compensation (Say On Pay). These governance and pay practices continue to be followed.

The Company's compensation structure is designed to attract highly qualified and motivated individuals, reward performance, and to be competitive with the compensation arrangements of other resource companies of similar size and scope of operations. The Compensation Committee considers a variety of factors when determining both compensation programs and individual compensation levels. These factors include the long-term interests of the Company and its shareholders, overall financial and operating performance of the Company, individual performance and contribution towards meeting corporate objectives, responsibilities, and compensation practices of industry competitors.

On behalf of the Board and the Compensation Committee, we thank you for taking the time to read our disclosure, comments and questions are welcome and can be submitted to: board@africaoilcorp.com .

Regards,

"John Craig"

John Craig
Chairman of the Board

COMPENSATION DISCUSSION AND ANALYSIS

Introduction

In the following section, Africa Oil details the 2018 compensation programs for the Company's executives (the "Executives") which include the following named executive officers ("NEOs"):

1. Keith Hill, President & Chief Executive Officer
2. Ian Gibbs, Chief Financial Officer
3. Tim Thomas, Chief Operating Officer
4. Dr. Paul Martinez, Vice President Exploration
5. Mark Dingley, Vice President Operations

The Vice President Operations reports to the Chief Operating Officer and does not participate in the LTIP.

In recognition of our cross-border talent pool and significant international operations, the Board may grant NEO compensation in Canadian and United States currencies. Mr. Keith Hill, Dr. Paul Martinez, and Mr. Mark Dingley were awarded cash compensation denominated in US dollars. Mr. Ian Gibbs and Mr. Tim Thomas' cash compensation is denominated in Canadian dollars.

Compensation Philosophy / Executive Compensation Principles

The Company's compensation structure is designed to attract highly qualified and motivated individuals, reward performance, and to be competitive with the compensation arrangements of other resource companies of similar size and scope of operations. The Committee considers a variety of factors when determining both compensation programs and individual compensation levels. These factors include the long-term interests of the Company and its shareholders, overall financial and operating performance of the Company, individual performance and contribution towards meeting corporate objectives, responsibilities, and compensation practices of industry competitors.

Changes to Executive and Director Compensation Program in 2016

In response to feedback from shareholders and our recognition of evolving market practices, the Compensation Committee approved several changes to Africa Oil's executive compensation programs for implementation in 2016 to enhance the alignment with the interests of shareholders and market best practices. This included a review of executive officer pay levels relative to a revised pay comparator group, an update of the metrics within the short term incentive program ("STIP") to better align with the Company's operational objectives and strategic priorities, and the introduction of a restricted share unit and performance share unit plan to fully replace the use of options for senior executives. Another area of focus for the Committee was to improve the level of transparency, detail and readability of our compensation disclosure.

Considerable enhancements were made to our governance and pay practices which resulted in Shareholder approval of the Company's Long-Term Incentive Plan and the Company's Advisory Vote On Executive Compensation (Say On Pay) being passed at the Company's April 19, 2016 annual meeting of shareholders. We continue to follow these actions and to enhance our governance and pay practices so that we remain leaders amongst our peers:

- Board composition separating the roles of Board Chairman and CEO
- Following a structured approach to executive compensation while retaining Committee judgement over the outcomes
- Utilizing a performance share unit program to ensure the alignment between pay and performance for the Executives
- Ceasing to issue stock options to Executives
- Following a revised director compensation program, eliminating the use of stock options for directors
- Continued engagement with an independent consulting firm, Hugessen Consulting Inc. (“Hugessen”), to provide independent insight to the Compensation Committee
- Following compensation governance practices such as including stock ownership guidelines, clawback policy, and an advisory Say On Pay vote
- Continued plain language disclosure of corporate performance targets, results, and short-term incentive payouts

Pay Comparator Group

During 2018, the Compensation Committee, with support from our independent compensation consultant, Hugessen, updated the compensation benchmarking analysis (previous analysis completed in 2015) to provide current competitive market context to determine if modifications were required to compensation design practices. During the period since the peer group was last analyzed, several factors affected the peers such as mergers and acquisitions, reorganizations and restructuring. The updated comparator group was developed based on the following criteria:

- Oil & gas exploration and production companies
- Companies with international operations
- Market capitalization and total assets: between approximately 1/3x – 3x that of Africa Oil
- Geography: Canadian headquartered

2018 Canadian Comparator Group

TransGlobe Energy Corporation ⁽¹⁾	Frontera Energy Corporation	International Petroleum Corp.
Canacol Energy Ltd. ⁽¹⁾	Valeura Energy Inc..	ShaMaran Petroleum Corp.
Gran Tierra Energy Ltd. ⁽¹⁾		

⁽¹⁾ Formed part of the 2015 Canadian Comparator Group

In addition to referencing the Canadian peer group, the Committee also considered pay levels and practices of UK-based international exploration and production companies. The Committee believes that the UK remains an important source of executive talent for Africa Oil; particularly considering the location of our assets, our partners and that our ownership includes a significant proportion of European-based shareholders. While we do not directly target pay levels based on UK peers, we reference UK pay practices alongside other factors such as executive experience, skills and education.

2018 UK Reference Group

Ophir Energy plc ⁽¹⁾	Exillon Energy plc ⁽¹⁾	Sound Energy plc
SOCO International plc ⁽¹⁾	Savannah Petroleum plc	Eland Oil & Gas plc
Seplat Petroleum Development Company plc ⁽¹⁾		

⁽¹⁾ Formed part of the 2015 UK Reference Group

Pay Positioning

When setting pay levels for Africa Oil’s executive team, the Compensation Committee targets pay positioning including base salary, short-term incentive plan and long-term incentive plans at the 75th percentile relative to Canadian exploration and production companies with international assets. While total compensation is targeted at P75, individual pay positioning varies dependent upon role, tenure, and individual performance. The Committee believes this pay position is most appropriate given a significant portion of African-focused energy companies are based in the UK, resulting in the UK being an important source of talent for the Company. The Committee seeks to have a pay program which is competitive with both the Canadian and UK markets, acknowledging that total pay levels among Africa Oil’s UK reference group are significantly higher than pay levels of Canadian peers. Notwithstanding UK pay levels, the Committee continues to award Canadian-style compensation arrangements that include lower base salaries and greater variable pay and pay at risk relative to UK peers.

Based on the updated 2018 executive compensation benchmarking analysis, the Committee noted target compensation is within target and as such for 2019 elected:

- Not to increase base salaries;
- Hold STIP targets at current levels;
- Continue increasing the weighting of the LTIP mix to 80% PSUs and 20% RSUs for Executives.

Elements of Africa Oil’s Executive Compensation Program

Africa Oil’s executive compensation program consists of three major components: (i) base salary, (ii) short-term incentive plan (“STIP”), and (iii) long term incentive plan (“LTIP”). The value of perquisites received by each of the Executives were not in aggregate equal to or greater than \$50,000 or 10% of the Executives’ total salary for the financial year. Africa Oil does not provide its Executives with a savings plan or pension plan.

Executive Pay Mix

The Executives receive compensation that is both fixed (guaranteed) and variable (at-risk). The majority of our Executives’ target compensation is variable, at-risk pay that is dependent upon performance relative to operational, financial, and strategic objectives approved by the Committee, as well as stock price. Over 50% of total direct compensation is delivered in the form of long-term incentives. The pay mix for our President & CEO and other Executives is as follows⁽¹⁾:

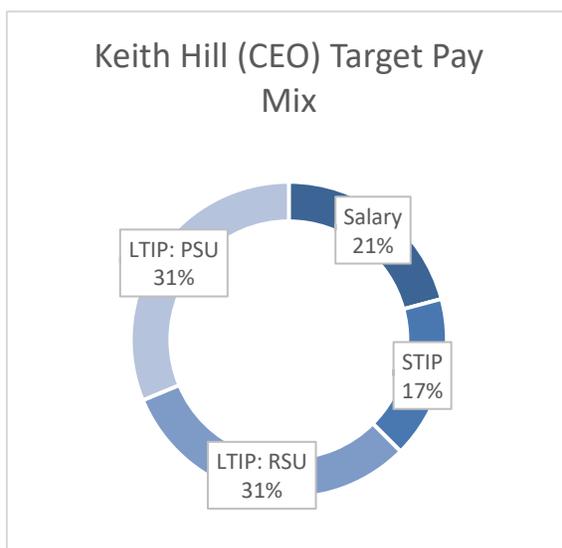
Component	At Risk	Objectives	Time Frame	Description
Components Total Direct Compensation (TDC)				
Base Salary	No	Provide market competitive level of fixed compensation	Reviewed annually	<ul style="list-style-type: none"> • Only fixed component of TDC • Intended to remunerate the Executive for discharging job responsibilities • Individual Executive salary reflects level of responsibility, skills and experience
Short-Term Incentive Program (“STIP”)	Yes	Acknowledge progress on strategic priorities and rewards for achievement of annual performance goals	One year	<ul style="list-style-type: none"> • Cash-based performance incentive • Payout based on combination of Board-approved financial goals, operational metrics, strategic objectives, and individual performance

Component	At Risk	Objectives	Time Frame	Description
LTIP - Restricted Share Units	Yes	Incentivize the creation of shareholder value	Three years	<ul style="list-style-type: none"> Annual grants 100% of RSUs granted to non-executive directors cliff vest 3 years after the date of grant; RSUs granted to all other participants vest over 3 years (1/3 on the first, second, and third anniversary of the date of grant)
LTIP - Performance Share Units	Yes	Reward for performance and incentivizes the creation of shareholder value and alignment to the long-term strategy	Three years	<ul style="list-style-type: none"> Annual grants 100% cliff vest 3 years after the date of grant (0-200% of units granted) based on Board-approved operational and strategic performance measures

⁽¹⁾ The Company's Executives include the President & Chief Executive Officer, the Chief Financial Officer, the Chief Operating Officer, and the Vice President Exploration. Due to the resignation Mr. Alex Budden, Vice President External Relations, early in 2017, Mr. Mark Dingley, Vice President Operations, has become a Named Executive Officer ("NEO") for the purposes of the management information circulars commencing in 2017. The Vice President Operations reports to the Chief Operating Officer and does not participate in the LTIP. The Vice President Operations continues to participate in the Stock Option Plan as a form of long-term incentive.

CEO Compensation

The Committee understands the importance of CEO compensation in setting the standard for compensation structure for the entire organization. Nearly 80% of our CEO's total target direct compensation is "at risk".

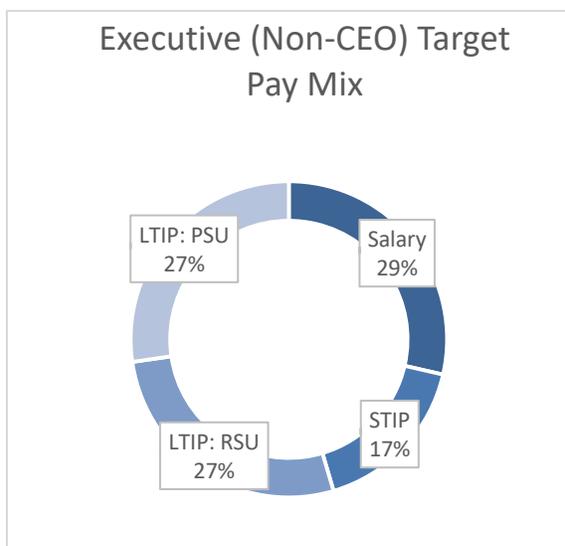


The table below summarizes 2018 target pay levels for Keith Hill.

Year	Base \$	Bonus Target		LTI Target		TDC Target \$
		% of Salary	\$	% of Salary	\$	
2018	\$375,000	80%	\$300,000	300%	\$1,125,000	\$1,800,000

Executive Compensation

Similar to CEO compensation, on average more than 70% of our Executive's total target compensation is "at-risk".



Below is a summary of 2018 target pay levels among the members of Africa Oil's Executive and NEOs:

Executive	Base \$	Bonus Target		LTI Target		Target TDC \$
		% of Salary	\$	% of Salary	\$	
Ian Gibbs	CAD \$375,000	80%	CAD \$300,000	220%	CAD \$825,000	CAD \$1,500,000
Tim Thomas	CAD \$350,000	60%	CAD \$210,000	200%	CAD \$700,000	CAD \$1,260,000
Paul Martinez	\$282,000	50%	\$141,000	175%	\$493,500	\$916,500
Mark Dingley⁽¹⁾	\$250,000	50%	\$125,000	75%	\$187,500	\$562,500

(1) Mr. Dingley (Vice President Operations) does not participate in the LTIP (RSUs and PSUs). Stock options are granted as his long-term incentive. Mr. Dingley is the only NEO residing in Kenya, on an expatriate assignment and reports to Tim Thomas (Chief Operating Officer).

NEO Base Salary

Base salaries are provided to NEOs to provide a fixed level of compensation. The base salary of each Executive is determined by the Committee based on an assessment of his responsibilities and consideration of competitive compensation levels for the markets in which the Company operates. In making its recommendations to the Board, the Compensation Committee also considers the particular skills and experience of the individual. Base salaries have remained unchanged since the beginning of 2016.

Executive	Position	2018 Base	2019 Base	% Change
Keith Hill	President & CEO	\$375,000	\$375,000	0%
Ian Gibbs	Chief Financial Officer	CAD\$375,000	CAD\$375,000	0%
Tim Thomas	Chief Operating Officer	CAD\$350,000	CAD\$350,000	0%
Paul Martinez	Vice President Exploration	\$282,000	\$282,000	0%
Mark Dingley	Vice President Operations	\$250,000	\$250,000	0%

The Executive's base salary is intended to remunerate the Executive for discharging job responsibilities and reflects the executive's performance over time. Individual salary adjustments take into account performance contributions in connection with their specific duties. The base salary of each executive officer is determined by the Compensation Committee based on an assessment of his sustained performance and consideration of competitive compensation levels for the markets in which the Company operates. The base salaries of executive officers and members of the senior management team are reviewed annually.

Short Term Incentive Plan

As a part of our Board review of executive compensation practices, the Committee introduced a more structured bonus plan and corporate performance scorecard for Executive commencing in 2016. The Committee develops bonus targets based on peer group pay practices as well as each Executive's role, responsibility and experience level. Our Executives participate in Africa Oil's STIP, which is designed to reward short-term performance relative to key financial, strategic and operational goals with an annual cash bonus.

In early 2018, the Committee approved a new short-term corporate scorecard which was used to determine the final bonus payout for each Executive. As the key goals in the 2018 corporate scorecard required a collective effort from all Executives, there was no formal individual performance component for each Executive. Notwithstanding this, when approving final performance scores for each Executive, the Committee applied discretion to reflect the individual performance of each Executive during the year.

Actual performance bonus awards may range from 0%-200% of target levels depending on the corporate and each executive's individual performance evaluation. Accordingly, the entire STIP is considered "at risk". Performance evaluations for executives are submitted to the Board by the CEO for approval, with the exception of the CEO's

performance, which is evaluated independently by the Committee. The Board reserves final judgment over all STIP payouts.

Short Term Incentive Awards - Executives

2018 Performance Highlights

- Our balance sheet remains strong, ending 2018 with \$370 million of cash and debt free;
- \$75 million of advance development carry payments received from Total, more than offsetting \$45 million of intangible exploration expenditures incurred primarily in Kenya;
- Increased our exposure to high impact exploration, investing an additional \$18 million in Africa Energy Corp. (TSXV: AFE or Nasdaq Stockholm: AFE) and \$29 million in Impact Oil and Gas Limited;
- Investments in exploration companies provides exposure to multiple near term, potentially high impact, oil and gas exploration opportunities in jurisdictions including South Africa, Guyana and Namibia;
- In February 2019, an oil and gas discovery was announced in Blocks 11B/12B (operated by Total), offshore South Africa, in which Africa Oil has exposure via our ownership of Africa Energy (34.5% ownership) and Impact (30.1% ownership);
- We now own approximately 34.5% of Africa Energy and 30.1% of Impact, in addition to our 18.3% ownership interest in Eco (Atlantic) Oil and Gas Ltd. (TSXV:EOG or AIM:ECO).
- Announced transformative acquisition, in conjunction with Vitol Investment Partnership II Ltd. and Delonex Energy Ltd. to acquire a 50% ownership interest in Petrobras Oil and Gas B.V. (POGBV). Africa Oil's effective ownership interest in POGBV will be 12.5%. The primary assets of POGBV are an indirect 8% interest in Oil Mining Lease (OML) 127, which contains the producing Agbami Field and an indirect 16% interest in OML 130, which contains the producing Akp and Egina Fields. Acquisition provides exposure to multiple low-cost, well operated oil producing fields, generating significant free cash flow, in deep water offshore Nigeria. The transaction is subject to customary conditions precedent, including Nigerian Government consent;
- Kenya development planning continued to progress, associated with the discovered oil resources in the South Lokichar basin (Blocks 10BB and 13T (Kenya)), targeting a Final Investment Decision (FID) in late 2019 and First Oil in 2022;
- Key Kenya workstreams relating to Front-end Engineering and Design (FEED) and the Environmental Social Impact Assessments (ESIAs) of the upstream and pipeline commenced in mid-2018. Extended injection and production testing also took place with results in line with expectations. Dynamic data from these tests has materially assisted with the development plan for the initial stage of development. Key upstream components such as well count, well spacing and CPF design are now well defined. In 2019, several critical tasks must be completed in order to reach FID by year end. These tasks include completing commercial framework agreements with the Government of Kenya, finalising FEED studies and agreements over land title and water supply with the Government of Kenya in the first quarter of 2019 and submitting the mid-stream ESIA in the second quarter;
- The transfer of stored crude oil from Turkana (Kenya) to Mombasa by road commenced during 2018, currently transporting approximately 600 bopd and this is expected to increase to 2,000 bopd once the Early Oil Production System is fully operational. So far, over 60,000 barrels of oil have been transported to Mombasa. A maiden lifting of Kenyan crude oil is expected in mid-2019. Tullow has begun to market Kenya's low sulphur oil ahead of this first lifting with initial market reactions being very positive.

Taking the above 2018 performance into consideration, the Compensation Committee assessed performance against the STIP scorecard as follows:

2018 Corporate Performance Scorecard				
Component	Weighting	Assessed	Key Measures	Factors taken into consideration in assessment
Strategic Measures	50.0%	45.0%	Mergers & Acquisitions Portfolio Investee Company Management to advance high impact near term drilling targets Stakeholder engagement Kenya JV Partner alignment South Lokichar development related commercial agreements & structuring	Successfully participated in Consortium bid to acquire 50% ownership interest in Petrobras Oil & Gas B.V. (interests in offshore Nigeria producing assets). Completion pending government approval. Completed investments in Impact Oil & Gas Limited, adding additional near term, high impact, exploration opportunities. Two high impact exploration wells spud during year in portfolio investment companies. One well dry and abandoned. Second well (South Africa) discover announced subsequent to year end. Continued focused interactions with JV Partners, Government of Kenya and Project Stakeholders to advance on the ground South Lokichar development planning, in advance of FID (target deferred to 2019). Limited advancement of commercial agreements and structuring associated with South Lokichar development.
Finance and Administration Measures	20.0%	12.0%	Manage budget and costs Receive \$75 million advance development carry Progress Kenya commercial agreements and project financing Human resource management	2018 program delivered within budget \$75 million advance development carry received from Total Limited progress on project finance associated with Kenya development.
Operational Measures	30.0%	20.0%	Development planning Capital allocation and resource management, capitalizing on low cost environment. Progress FEED and ESIA's. Continue subsurface modeling, aimed at increasing resource size/certainty. Commence early oil project. Health, safety, environmental and community action plan	Water injection and production testing completed during year - initial results positive Alignment reached amongst joint venture on multiple subsurface aspects, work and joint venture alignment outstanding on some critical elements Trucking oil from South Lokichar to Mombassa port, via road, commenced Compliance with Environmental and Social Action Plan & IFC Independent Monitoring Group
Total	100.0%	77.0%		

In recognition of these accomplishments and challenges, the Executives were awarded short term incentive payouts ranging from 59% to 90% of the target payout. The Vice President Operations was awarded a short-term incentive payout of 120% of target, taking into consideration his contributions as the Company's sole expatriate employee, based in Nairobi, where his contribution to several stakeholder engagements and joint venture operations is critical to advancing the Company's interests.

Executive	2018 Base	2018 Bonus						
		Target				Award		
		% of Salary	Performance Factor	Min	Max	\$	% of Target	
Keith Hill	\$ 375,000	80%	0%	200%	\$ -	\$ 600,000	\$ 270,000	90%
Ian Gibbs	CAD 375,000	80%	0%	200%	\$ -	CAD 600,000	CAD 270,000	90%
Tim Thomas	CAD 350,000	60%	0%	200%	\$ -	CAD 420,000	CAD 176,000	84%
Paul Martinez	\$ 282,000	50%	0%	200%	\$ -	\$ 282,000	\$ 83,763	59%
Mark Dingley	\$ 250,000	50%	0%	200%	\$ -	\$ 250,000	\$ 150,000	120%

Long Term Incentive Plan

Executives, including the President and Chief Executive Officer and executive reporting directly to him, are entitled to participate in Africa Oil's LTIP (See Appendix B), which is designed to promote their long-term motivation and retention. Historically (prior to 2016), Africa Oil's LTIP consisted solely of stock options, and we believe this structure was best suited for our Company during our earlier exploration stage. However, recognizing our growth and maturity in recent years, the Compensation Committee set out to evaluate alternative long-term incentive vehicles for our executives. As a result of the compensation review done in 2015, the Committee recommended, and the Board approved, a LTIP mix for our Executives participating in the LTIP of 50% restricted share units ("RSUs") and 50% performance share units ("PSUs").

To further increase the alignment between the Executives, who participate in the LTIP, long term compensation and successful execution of the Company's strategy, the Compensation Committee and the Board have increased the weighting of the LTIP mix to 75% PSUs and 25% RSUs for Executives in 2018, and to 80% PSUs and 20% RSUs in 2019. This change better aligns our Executive to our strategic goals and long-term shareholder return in the future.

Africa Oil no longer grants stock options to Executives, including the President and Chief Executive Officer and executive reporting directly to him, but continues to do so for certain key employees, including Mr. Mark Dingley, Vice President Operations. Beginning in 2016, independent directors of the Board receive an annual restricted share unit grant, while the Company's Executives receive an annual grant of both restricted and performance share units.

Restricted Share Units and Performance Share Units

Africa Oil's long-term incentive plan was introduced in 2016 to provide Executives with long-term retention and motivation. RSUs are a notional share instrument which tracks that value of common shares. RSUs granted to Executives vest over three years (1/3 on the first, second and third anniversary of the grant date). Upon payout, RSUs may be settled in cash or treasury shares.

Similar to RSUs, PSUs are notional share instruments which track the value of common shares. However, PSUs are subject to additional performance conditions that serve to enhance the alignment of executives to key strategic, financial and operational milestones of the company. PSUs will cliff vest three years from the date of grant, at which point the Committee will assign a performance multiple ranging from 0% – 200%, based on actual results relative to the PSU performance scorecard (subject to Committee discretion). During the three-year term of the PSUs, the Compensation Committee will perform an interim evaluation of performance against the stated performance conditions applicable to granted PSUs. In addition, the Committee will perform a final assessment of performance over the entire three-year PSU term. To determine the final performance multiple, the Committee will provide a 20% weighting to each of the interim annual performance assessments and a 40% weighting to the overall three-year combined assessment. PSUs may be settled in cash or treasury shares.

The RSU and PSU plans form part of the Company's compensation risk mitigating strategy by providing a meaningful amount of total executive pay in variable compensation. These programs align the interests of the Company to those of shareholders by motivating executives to grow share price through execution of our business strategy. The Board has an oversight role for the Company's compensation risk mitigating strategy. The staggered vesting and payout schedule of annual RSU and PSU grants also creates a significant retention mechanism for our Executives.

PSU Performance Metrics

When originally determining performance metrics for the PSU plan, the Committee evaluated several alternatives, including relative total shareholder return (“TSR”). The Committee decided that relative TSR would not be an effective measure of Africa Oil’s performance given the limited number of Canadian-based, international exploration and production companies that would be suitable as performance peers. The Committee instead developed a performance scorecard based on long-term strategic, financial and operational milestones suited to measure and reward long-term value creation and reflecting Africa Oil’s current stage of development. The Committee retains the right to exercise discretion in assessing ultimate performance and share price performance will be taken into consideration.

The performance framework for each year’s PSU grants is developed by the CEO and reviewed and approved by the Compensation Committee. The metrics chosen have been primarily focused on:

- achieving key milestones required to continue progressing development of the South Lokichar Basin (Blocks 10BB and 13T in Kenya) through a final investment decision and towards first oil;
- actions required to complete the farmout transaction with Maersk Olie og Gas A/S, subsequently acquired by Total, and maximize the value realized from the contingent development carry terms;
- Deploying the Company’s capital, via investments and mergers and acquisitions, to diversify the portfolio and add additional components (production and exploration) to create an independent, full-cycle, Africa-focused oil and gas exploration and production company.

The following tables provides a summary of how performance has been assessed in comparison to target for the first tranche of PSUs, which were granted in 2016 and scheduled to vest in 2019. In arriving at the 45.5% assessment, the Compensation Committee and Board of Directors have exercised their discretion in reducing the assessment in comparison to the results that would have been achieved by averaging the interim and final assessments over the three-year term of the PSUs. Factoring in the Company’s 2018 year-end share price, this assessment would result in the President and Chief Executive Officer realizing approximately 26% of his LTIP PSU target on the date of grant.

2016 Performance Scorecard:			
Performance Condition	Weighting	Assessment to Date	Primary Factors Affecting Interim Assessment
Farmout Completion and Resource Confirmation	37.0%	44.5%	Completion of Maersk farmout and agreement with regards to payment of \$75 million advance carry in installments during 2018
Resource Growth	20.0%	0.0%	Exploration and appraisal activities yielding below expectation results in comparison to target resource growth
Operational and Development Milestones	33.0%	1.0%	Final Investment Decision date has been deferred during evaluation period
Financial and First Oil Milestones	10.0%	0.0%	Financing plan for development has not proceeded according to projected timeline
Total	100.0%	45.5%	

Interim PSU assessments have also been undertaken by the Compensation Committee related to the PSUs granted in 2017 and 2018 and are 43.8% and 51.8% respectively.

2018 LTIP Grants

Per the Company's updated pay philosophy, the Committee developed 2018 LTIP targets having considered peer group pay practices as well as each executive's role, responsibility and experience level. In 2018, Africa Oil granted our Executives RSUs and PSUs in line with their target LTIP. These RSU and PSU grants served to both motivate the executive toward increasing share value and to enable the executive to share in the future success of the Company.

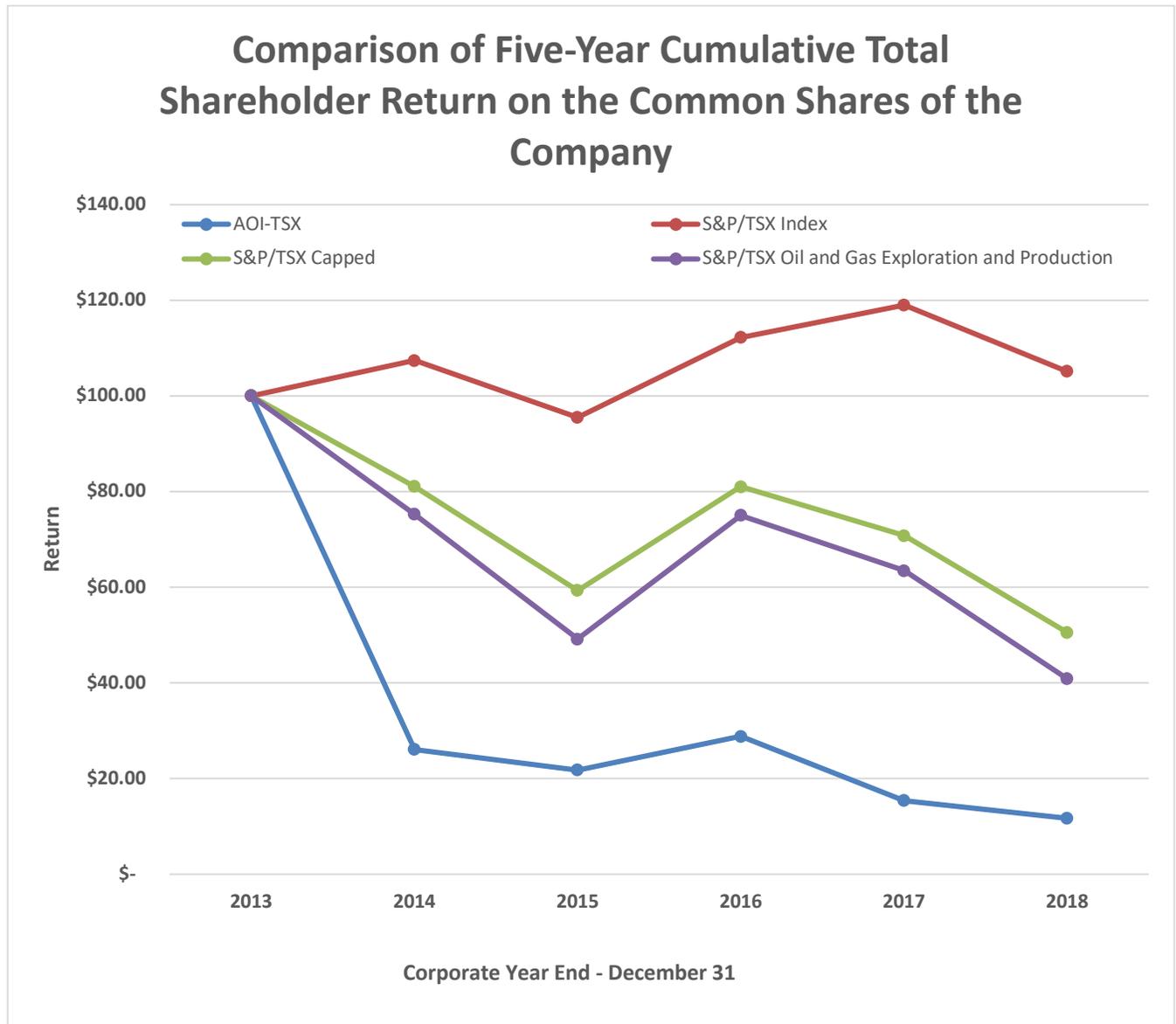
Executive	2018 Base	2018 LTIP					
		Target		Award			
		% of Salary	\$	Stock Options (#)	PSUs (#)	RSUs (#)	\$
Keith Hill	\$375,000	300%	\$1,125,000	Nil	869,500	289,800	\$1,125,000
Ian Gibbs	CAD\$375,000	220%	CAD\$825,000	Nil	487,200	162,400	CAD\$825,000
Tim Thomas	CAD\$350,000	200%	CAD\$700,000	Nil	413,400	137,800	CAD\$700,000
Paul Martinez	\$282,000	175%	\$493,500	Nil	381,400	127,100	\$493,500
Mark Dingley	\$250,000	75%	\$187,500	486,000	Nil	Nil	\$119,264

Ian Gibbs (Chief Financial Officer), Tim Thomas (Chief Operating Officer) and Paul Martinez (Vice President Exploration) report directly to Keith Hill (President and Chief Executive Officer) and participate in the LTIP (RSUs and PSUs). Mark Dingley, Vice President Operations reporting to Tim Thomas (Chief Operating Officer), is the only NEO continuing to receive stock options.

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Performance Graph

The following graph illustrates Africa Oil's five-year cumulative shareholder return, as measured by the closing price of the Company's common shares at the end of each financial year, assuming an initial investment of C\$100 on December 31, 2013, compared with the S&P/TSX Composite Index, S&P TSX Capped Energy Index, and S&P/TSX Oil and Gas Exploration and Production Index, assuming the reinvestment of dividends where applicable.



December 31	AOI-TSX	S&P/TSX Index	S&P/TSX Capped	S&P/TSX Oil and Gas Exploration and Production
2013	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00
2014	\$ 26.11	\$ 107.42	\$ 81.08	\$ 75.24
2015	\$ 21.78	\$ 95.51	\$ 59.36	\$ 49.20
2016	\$ 28.82	\$ 112.23	\$ 81.01	\$ 75.03
2017	\$ 15.38	\$ 119.00	\$ 70.77	\$ 63.45
2018	\$ 11.70	\$ 105.15	\$ 50.56	\$ 40.88

The Compensation Committee and Board are committed to ensuring Africa Oil's compensation program for its Executives is aligned with the growth and maturity of the Company, while also considering the experience of our shareholders. Africa Oil revamped the Executive compensation program in 2016, transitioning from stock options to full-value shares as a form of long-term incentive, and adjusting pay levels and pay mix to better reflect a company of our size and stage of development. By providing a significant portion of our Executive pay in the form of equity-based compensation, the take home pay of our Executives has been better aligned with Africa Oil's share price performance. As described above, equity-based compensation expense has decreased dramatically since revamping the Executive compensation program. Just as shareholder return has been below expectation in the years since implementing the executive compensation program (December 31, 2018 share price approximately 47% of December 31, 2015 share price), both LTIP and STIP awards to Executives have been below expectation. Since revamping Executive compensation in 2016, as a percentage of Target Total Direct Compensation over this period, the CEO's realized compensation has ranged between 35% and 49%. The remainder of the Executive's realized compensation, over the same period, has ranged between 38% and 54% of Target Total Direct Compensation.

For full details of our revised compensation program, see the "Compensation Discussion and Analysis" section of this Circular.

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Executive Compensation - Summary Compensation Table

The following table sets forth, for the last three (3) financial years, the compensation paid by the Company to the Executives and NEOs for services rendered. All currency values are in US dollars for reporting purposes.

Name and principal position	Year	Salary ⁽¹⁾	Option-based awards ⁽²⁾	Share-based awards ⁽³⁾	Non-equity incentive plan compensation (\$)		All other compensation ⁽⁴⁾	Total compensation
					Annual incentive plans ⁽⁵⁾	Long-term incentive plans		
Keith Hill <i>President & CEO</i>	2018	375,000	nil	1,125,000	270,000	nil	26,688	1,796,688
	2017	375,000	nil	1,125,000	150,000	nil	26,688	1,676,688
	2016	375,000	nil	1,125,000	250,000	nil	26,688	1,776,688
Ian Gibbs <i>Chief Financial Officer</i>	2018	289,419	nil	630,383	208,382	nil	3,537	1,131,720
	2017	288,777	nil	619,575	94,349	nil	3,510	1,006,211
	2016	283,048	nil	617,430	150,959	nil	7,715	1,059,152
Tim Thomas <i>Chief Operating Officer</i>	2018	270,124	nil	534,870	135,834	nil	7,086	947,914
	2017	269,525	nil	525,700	60,384	nil	7,042	862,651
	2016	264,178	nil	523,880	95,859	nil	11,139	895,056
Paul Martinez <i>Vice President Exploration</i>	2018	282,000	nil	493,500	83,763	nil	6,762	866,025
	2017	282,000	nil	493,500	53,407	nil	6,728	835,636
	2016	264,178	nil	458,395	80,008	nil	10,869	813,451
Mark Dingley ⁽⁶⁾ <i>Vice President Operations</i>	2018	250,000	98,483	nil	150,000	nil	198,088	696,571
	2017	250,000	78,752	nil	83,000	nil	153,418	565,170
	2016	250,000	197,770	nil	144,000	nil	164,738	756,508

- (1) Salaries for the Executives and NEOs are paid in Canadian dollars and converted to United States dollars for reporting purposes, except for Mr. Hill, Dr. Martinez, and Mr. Dingley whose salary is denominated in USD.
- (2) These amounts represent the value of stock options granted to the respective Executive or NEO. The fair value of each option granted is estimated on the date of grant using the Black-Scholes options pricing model taking into account the following assumptions on a weighted average basis: (i) risk-free interest rate (%); (ii) expected life (years); and (iii) expected volatility (%). This is consistent with the accounting values used in the Company's financial statements. The dollar amount in this column represents the total value ascribed to the stock options; however, all of these stock options are subject to vesting as to one-third on the date of grant, one-third one year from the date of grant and the remaining one-third two years from the date of grant.
- (3) These amounts represent the fair value of RSUs and PSUs granted to the respective NEOs, on the grant date. PSUs are notional share instruments which track the value of the common shares and are subject to non-market performance conditions related to key strategic, financial and operational milestones. PSUs cliff vest three years from the date of grant, at which time the Board of Directors will assign a performance multiple ranging from nil to two hundred percent to determine the ultimate vested number of PSUs. PSUs may be settled in shares issued from treasury or cash, at the discretion of the Board of Directors. The non-market performance conditions include: i) metrics relating to completion of the farmout transaction with Maersk Oil & Gas A/S, subsequently acquired by Total, and confirming resource quantities providing entitlement to associated advance, and contingent carry; ii) metrics relating to the growth in contingent resources and reserves; iii) additional milestones related to South Lokichar development, pipeline development and financing associated with these developments, and iv) other strategic and financial milestones. The Company accounts for PSUs as equity-based awards whereby the estimated fair value of the grant is expensed evenly throughout the remaining vesting period. RSUs are notional share instruments which track the value of the common shares. RSUs granted to Executives vest over three years (1/3 on the first, second and third anniversary of grant). RSUs may be settled in shares issued from treasury or cash, at the discretion of the Board of Directors. The Company accounts for RSUs as cash settled awards whereby the estimated fair value of the grant is expensed evenly throughout the remaining vesting period.

- (4) Amounts reflected under this column typically consist of benefits such as life insurance premiums, parking benefits, and the payment of living expenses related to long-term foreign assignment.
- (5) Annual short-term incentive plan payments earned and paid during the year.
- (6) The Company's Executives include the President & Chief Executive Officer, the Chief Financial Officer, the Chief Operating Officer, and the Vice President Exploration. Due to the resignation of Mr. Alex Budden, Vice President External Relations, and a former Executive and NEO of the Company, early in 2017, Mr. Mark Dingley, Vice President Operations, became an NEO for the purposes of management information circulars commencing in 2017. However, Mr. Dingley is not considered an Executive of the Company, and does not participate in the LTIP. Mr. Dingley is an expatriate employee on a work assignment based in Kenya. As part of Mr. Dingley's expatriate compensation package, the Company pays for certain Kenyan living expenses including housing, automobile, housing utilities. The housing benefit included under "All other compensation" was \$91,000 in 2018 (\$78,000 in 2017, and \$69,000 in 2016).

Other than as set out above, no perquisites have been included as they do not reach the prescribed threshold of the lesser of CAD\$50,000 or 10% or more of total salary for the financial year.

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Outstanding Option and Share-Based Awards

The following table sets out all of the awards outstanding for each Executive and NEO at the end of the most recently completed financial year:

Name	Option-based Awards				Share-based Awards					
	Number of securities underlying unexercised options (#)	Option exercise price (CAD\$)	Option expiration date (Y/M/D)	Value of unexercised in-the-money options (\$) ⁽¹⁾	Number of PSUs that have not vested (#)	Market or payout value of PSUs that have not vested (\$) ⁽²⁾	Market or payout value of vested PSUs not paid out or distributed (\$)	Number of RSUs that have not vested (#)	Market or payout value of RSUs that have not vested (\$) ⁽³⁾	Market or payout value of vested RSUs not paid out or distributed (\$)
Keith C. Hill <i>President and Chief Executive Officer</i>					869,500	437,075	nil	289,800	229,427	nil
	575,000	\$2.48	2020/01/23	nil	345,200	246,234	nil	230,133	182,190	nil
					368,000	310,500	nil	122,667	97,112	nil
Ian Gibbs <i>Chief Financial Officer</i>					487,200	244,903	nil	162,400	128,568	nil
	460,000	\$2.48	2020/01/23	nil	190,100	135,600	nil	126,733	100,331	nil
					198,000	170,411	nil	66,000	52,250	nil
Tim Thomas <i>Chief Operating Officer</i>					413,400	207,805	nil	137,800	109,093	nil
	500,000	\$2.25	2020/03/12	nil	161,300	115,057	nil	107,533	85,131	nil
					168,000	144,591	nil	56,000	44,334	nil
Paul Martinez <i>Vice President Exploration</i>					381,400	191,720	nil	127,100	100,622	nil
	360,000	\$2.48	2020/01/23	nil	151,400	107,995	nil	100,933	79,906	nil
					147,000	126,517	nil	49,000	38,792	nil
Mark Dingley <i>Vice President Operations</i>	486,000	\$1.06	2023/12/18	7,125	nil	nil	nil	nil	nil	nil
	160,000	\$1.38	2022/12/19	nil	nil	nil	nil	nil	nil	nil
	265,000	\$2.12	2021/12/16	nil	nil	nil	nil	nil	nil	nil
	264,000	\$1.99	2020/12/22	nil	nil	nil	nil	nil	nil	nil
	200,000	\$2.48	2020/01/23	nil	nil	nil	nil	nil	nil	nil

- (1) Calculated using the closing price of the common shares on the Toronto Stock Exchange on December 31, 2018 of CAD\$1.08 and subtracting the exercise price of in-the-money stock options. As at December 31, 2018, these stock options had not been, and may never be, exercised and actual gains, if any, on exercise will depend on the value of the common shares on the date of exercise.
- (2) PSUs granted to Executives are notional share instruments which track the value of the common shares and are subject to non-market performance conditions related to key strategic, financial and operational milestones. PSUs cliff vest three years from the date of grant, at

which time the Board of Directors will assign a performance multiple ranging from nil to two hundred percent to determine the ultimate vested number of PSUs. A one to one ratio was used for the purpose of this valuation. The values calculated factor in interim performance multiple estimates between 43% and 55%.

- (3) Calculated using the closing price of the common shares on the Toronto Stock Exchange on December 31, 2018 of CAD\$1.08 multiplied by the number of outstanding RSUs. RSUs granted to Executives vest over three years (1/3 on the first, second and third anniversary of grant).

Incentive Plan Awards

The following table sets forth details of the value vested or earned for all incentive plan awards during the most recently completed financial year by each Executive or NEO:

Name	Option-based awards – Value vested during the year (\$) ⁽¹⁾	Share-based awards - Value vested during the year (\$) ⁽²⁾	Non-equity incentive plan compensation - Value earned during the year (\$)
Keith C. Hill <i>President & Chief Executive Officer</i>	Nil	234,763	Nil
Ian Gibbs <i>Chief Financial Officer</i>	Nil	127,605	Nil
Tim Thomas <i>Chief Operating Officer</i>	Nil	108,502	Nil
Paul Martinez <i>Vice President Exploration</i>	Nil	97,805	Nil
Mark Dingley <i>Vice President Operations</i>	Nil	Nil	Nil

- (1) Calculated using the closing price of the common shares on the Toronto Stock Exchange on the dates on which stock options vested during the financial year ended December 31, 2018 and subtracting the exercise price of in-the-money stock options.
(2) This represents the amount paid upon vesting of RSUs. No amounts realized upon vesting have been deferred.

Termination and Change of Control Benefits

The Company and its subsidiaries have not entered into any compensatory plan or arrangement in respect of compensation received or that may be received by any of the Executives or NEOs in the event of the termination of employment (resignation, retirement, change of control) or in the event of a change in responsibilities following a change in control, except for those disclosed below.

Keith Hill, President and Chief Executive Officer

In December 2015 the Company entered into an open-ended executive employment agreement with Mr. Keith Hill, the President and Chief Executive Officer of the Company, providing for an annual salary of \$375,000, replacing the previous executive employment agreement dated January 15, 2010. Pursuant to the terms of Mr. Hill's employment agreement, the Company may terminate Mr. Hill's employment without notice or payment in lieu of notice for cause. Additionally, the agreement may be terminated by the Company by notice to Mr. Hill if he becomes permanently disabled. Upon the termination of Mr. Hill's employment for cause or if Mr. Hill voluntarily elects to terminate his agreement, Mr. Hill shall not be entitled to any severance payment other than compensation earned by Mr. Hill up to the date of termination. Mr. Hill may be terminated by the Company for any reason other than specified above, upon one year's written notice of the termination of his employment agreement. In the event that there is a change of control of the Company, Mr. Hill is entitled to resign within 180 days of such change of control, and to receive the equivalent of two years' base salary in a lump sum (equivalent to \$750,000) plus the continuation of all benefits for

two years, at the highest level provided to Mr. Hill at any time within the one year period prior to the change of control (an estimated value of approximately \$53,376). In addition, Mr. Hill's outstanding incentive stock option awards, RSUs and PSUs in the Company would fully vest and become immediately exercisable upon a change of control occurring (valued at \$1,614,577 as at December 31, 2018). A "change of control" is deemed to occur if: (i) there is a direct or indirect sale or transfer of beneficial ownership of all or substantially all of the assets of the Company ; (ii) there is a consolidation, merger, amalgamation or similar transaction as a result of which shareholders of the Company prior to the transaction hold less than fifty percent (50%) of the outstanding shares after completion of the transaction; or (iii) there is a sale or transfer of beneficial ownership to an acquirer of: (A) securities of the Company possessing more than fifty (50%) of the combined voting power; or (B) the right to appoint a majority of the Company's Board, as a result of which a majority of the Board elected at the next shareholders' meeting are non-incumbent directors who are nominees of such acquirer.

Ian Gibbs, Chief Financial Officer

In December 2015 the Company entered into an open-ended executive employment agreement with Mr. Ian Gibbs, the Chief Financial Officer of the Company, providing for an annual salary of CAD\$375,000, replacing the previous executive employment agreement dated September 14, 2009. Pursuant to the terms of Mr. Gibbs' employment agreement, the Company may terminate Mr. Gibbs' employment without notice or payment in lieu of notice for cause. Additionally, the agreement may be terminated by the Company by notice to Mr. Gibbs if he becomes permanently disabled. Upon the termination of Mr. Gibbs' employment for cause or if he voluntarily elects to terminate his agreement, Mr. Gibbs shall not be entitled to any severance payment other than compensation he earned up to the date of termination. Mr. Gibbs may be terminated by the Company for any reason other than specified above, upon one year's written notice of the termination of his employment agreement. In the event that there is a change of control of the Company, Mr. Gibbs is entitled to resign within 180 days of such change of control and to receive the equivalent of two years' base salary in a lump sum (equivalent to CAD\$750,000) plus the continuation of all benefits for two years, at the highest level provided to Mr. Gibbs at any time within the one year period prior to the change of control (an estimated value of approximately CAD\$7,020). In addition, Mr. Gibbs' outstanding incentive stock option awards, RSUs and PSUs in the Company would fully vest and become immediately exercisable upon a change of control occurring (valued at \$878,600 as at December 31, 2018). A "change of control" is deemed to occur if: (i) there is a direct or indirect sale or transfer of beneficial ownership of all or substantially all of the assets of the Company ; (ii) there is a consolidation, merger, amalgamation or similar transaction as a result of which shareholders of the Company prior to the transaction hold less than fifty percent (50%) of the outstanding shares after completion of the transaction; or (iii) there is a sale or transfer of beneficial ownership to an acquirer of: (A) securities of the Company possessing more than fifty (50%) of the combined voting power; or (B) the right to appoint a majority of the Company's Board, as a result of which a majority of the Board elected at the next shareholders' meeting are non-incumbent directors who are nominees of such acquirer.

Tim Thomas, Chief Operating Officer

In March 2015 the Company entered into an open-ended executive employment agreement with Mr. Thomas providing for an annual salary of CAD\$300,000. Effective January 1, 2016, Mr. Thomas' base annual salary was increased to CAD\$350,000 per annum. Pursuant to the terms of Mr. Thomas' employment agreement, the Company may terminate Mr. Thomas' employment without notice or payment in lieu of notice for cause. Additionally, the agreement may be terminated by the Company by notice to Mr. Thomas if he becomes permanently disabled. Upon the termination of Mr. Thomas' employment for cause or if he voluntarily elects to terminate his agreement, Mr. Thomas shall not be entitled to any severance payment other than compensation he earned up to the date of termination. Mr. Thomas may be terminated by the Company for any reason other than specified above, upon six months written notice of the termination of his employment agreement. In the event that (i) the Company sells a controlling interest in all or substantially all of its assets or of one or more of its subsidiaries that owns, taken together, substantially all of the assets of the Company, or (ii) there is a change of control of the Company, Mr. Thomas is entitled to resign and to receive the equivalent of two years' base salary in a lump sum (equivalent to CAD\$700,000) plus the continuation of all benefits for two years, at the highest level provided to Mr. Thomas at any time within the one year period prior to the change of control (an estimated value of approximately \$14,084). In addition, Mr. Thomas'

outstanding incentive stock option awards, RSUs and PSUs in the Company would fully vest and become immediately exercisable upon a change of control occurring (valued at \$745,485 as at December 31, 2018). A “change of control” is deemed to occur if there is a successful take-over of the Company.

Dr. Paul Martinez, Vice President Exploration

In August 2015 the Company entered into an open-ended executive employment agreement with Dr. Martinez providing for an annual salary of CAD\$350,000. Effective January 1, 2017, Dr. Martinez’s base annual salary was revised to \$282,000 per annum. Pursuant to the terms of Dr. Martinez’s employment agreement, the Company may terminate Dr. Martinez’s employment without notice or payment in lieu of notice for cause. Additionally, the agreement may be terminated by the Company by notice to Dr. Martinez if he becomes permanently disabled. Upon the termination of Dr. Martinez’s employment for cause or if he voluntarily elects to terminate his agreement, Dr. Martinez shall not be entitled to any severance payment other than compensation he earned up to the date of termination. Dr. Martinez may be terminated by the Company for any reason other than specified above, upon 60 days written notice of the termination of his employment agreement. In the event that (i) the Company sells a controlling interest in all or substantially all of its assets or of one or more of its subsidiaries that owns, taken together, substantially all of the assets of the Company, or (ii) there is a change of control of the Company, Dr. Martinez is entitled to resign and to receive the equivalent of two years’ base salary in a lump sum (equivalent to \$564,000) plus the continuation of all benefits for two years, at the highest level provided to Dr. Martinez at any time within the one year period prior to the change of control (an estimated value of approximately \$13,456). In addition, Dr. Martinez’ outstanding incentive stock option awards, RSUs and PSUs in the Company would fully vest and become immediately exercisable upon a change of control occurring (valued at \$675,532 as at December 31, 2018).

Mark Dingley, Vice President Operations

In accordance with the Company’s Previous Stock Option Plan, Mr. Dingley’s outstanding incentive stock option awards in the Company would fully vest and become immediately exercisable upon a change of control occurring (valued at \$7,125 as at December 31, 2018). A “change of control” is deemed to occur if there is a successful take-over of the Company.

Compensation Oversight, Governance and Risk Management

The Company’s executive compensation program is administered by the Compensation Committee of the Board. Risk management is a primary consideration of the Compensation Committee when implementing its compensation program. It does not believe that its compensation program results in unnecessary or inappropriate risk-taking including risks that are likely to have a material adverse effect on the Company.

The Company’s directors and executive officers are not permitted to purchase financial instruments, including for greater certainty, prepaid variable forward contracts, equity swaps, collars or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the director or officer.

Clawback Policy

The Company’s Board has adopted a clawback policy that will apply to all incentive payments awarded on or after January 1, 2016, including bonus payments, stock options, and PSU awards. The clawback policy will apply to the CEO and CFO of the Company, and provides the Board discretion to recover any or all incentive compensation that would have otherwise not been paid if the Board determines that:

- a) There has been a material misstatement in the Company’s financial statements resulting in the awarding of more PSUs and/or options, or the awarding of a larger bonus than would have otherwise occurred; and
- b) The participant engaged in gross negligence or intentional misconduct, fraud or other misconduct or willful act engaged in by the applicable executive which resulted in the financial restatement by the Company.

The actual clawback of incentive awards, if any, will be at the sole discretion of the Board. The Board will have up to a one-year period following the date the incentive payment is settled to enforce the clawback policy, if necessary.

Appointment and Role of Compensation Consultants

Following concerns raised by shareholders and proxy advisors in 2015 regarding Africa Oil's compensation practices, and the failure to receive shareholder approval of the Company's Previous Stock Option Plan at the annual general meeting, the Compensation Committee engaged the services of Hugessen Consulting Inc. ("Hugessen"). As an independent advisor, Hugessen supports the Committee by providing independent insight. Hugessen's mandate involved an initial diagnostic review of Africa Oil's pay and pay governance practices. The results of these findings lead to a redesign of Africa Oil's compensation plans, including:

- Development of compensation peer groups (Canadian peers and UK reference peers)
- Benchmarking of pay levels for Executive Officers, and non-executive directors of Africa Oil, relative to compensation peers and development of a formal pay structure
- Design and implementation of incentive plans, including Long Term Incentive Plan
- Support with implementation of pay governance policies, including share ownership guidelines, say on pay, and clawback provisions

The Compensation Committee reviews information and advice provided by Hugessen, among other factors, in making its executive compensation decisions. The Committee also has the authority to hire and fire its independent advisor and reviews Hugessen's performance regularly.

Compensation Consultant Fees

The table below summarizes all fees paid to Hugessen, our compensation consultant, in 2018. At no time prior to engaging Hugessen has any other compensation consultant or advisor been retained by Africa Oil.

Executive / Director Compensation Related Fees	Year	Consultant	Fees
	2018	Hugessen Consulting	\$20,037

Equity Compensation Plan

Compensation plans under which equity securities of the Company are authorized for issuance, at the fiscal year ended December 31, 2018, are aggregated as follows:

Plan Category	Number of securities to be issued upon exercise of outstanding options (a)	Weighted-average exercise price of outstanding options (CAD\$)	Number of securities remaining available for future issuance under the Plan (excluding securities reflected in column (a))
Equity Compensation Plans approved by securityholders			
• Stock Option Plan	10,856,667	\$1.95	12,681,048
• Long Term Incentive Plan	18,256,682	N/A	11,822,222
Equity Compensation Plans not approved by securityholders	N/A	N/A	N/A
Total	29,113,349		24,503,270

Security-Based Award Burn Rate for the Last Three Years

Pursuant to the TSX rules, the Company is required to calculate and disclose the annual “burn rate” of its security-based awards for the three most recently completed financial years. The annual burn rate is equal to the number of options granted in the applicable year, divided by the weighted average number of shares outstanding in that year, expressed as a percentage. The Company’s average burn rate over the last three financial years is 0.034%.

	2018	2017	2016
Options Granted	1,966,000	1,191,500	1,610,500
Weighted average number of shares outstanding	468,045,570	456,603,586	456,417,074
Burn rate	0.42%	0.20%	0.35%

Management Contracts

Other than as disclosed herein, management functions of the Company and its subsidiaries are performed by directors, executive officers or senior officers of the Company and not, to any substantial degree, by any other person with whom the Company has contracted.

Interest of Informed Persons in Material Transactions

None of the insiders of the Company or any proposed nominee for election as director, nor any associate or affiliate of said persons has had any material interest, direct or indirect, in any transaction, which has materially affected or will materially affect the Company or any of its subsidiaries during the fiscal year ended December 31, 2018.

Additional Information

Additional information relating to the Company is available on SEDAR under the Company’s profile at www.sedar.com. Financial information regarding the Company is provided in the consolidated annual financial statements and related management’s discussion and analysis (“MD&A”) for its most recently completed financial year.

Copies of the consolidated financial statements and related MD&A, as well as a copy of the Company’s AIF for the fiscal year ended December 31, 2018, may be accessed on the Company’s website at www.africaoilcorp.com or shareholders may contact the Company to request copies of the consolidated financial statements, MD&A and AIF, as follows:

e-mail: africaoilcorp@namdo.com
telephone: 604-689-7842
mail: Africa Oil Corp. - Attn: Investor Relations
Suite 2000, 885 West Georgia Street
Vancouver, B.C., V6C 3E8

APPENDIX A
BOARD OF DIRECTORS' MANDATE

The following is a description of the mandate and responsibilities of the Board of Directors (the "Board") of Africa Oil Corp. (the "Company"):

- a. The principal responsibilities of the Board are to supervise and evaluate management, to oversee the conduct of the Company's business, to set policies appropriate for the business of the Company and to approve corporate strategies and goals. The Board is to carry out its mandate in a manner consistent with the fundamental objective of enhancing shareholder value.
- b. In discharging its duty of stewardship over the Company, the Board expressly undertakes the following specific duties and responsibilities:
 - i. adopting, supervising and providing guidance on the Company's strategic planning process including, reviewing on at least an annual basis, a strategic plan which takes into account the opportunities and risks of the Company's business;
 - ii. identifying the principal risks of the Company's business and ensuring the implementation of appropriate risk management systems;
 - iii. ensuring that the Company has management of the highest caliber and maintaining adequate and effective succession planning for senior management;
 - iv. placing limits on management's authority;
 - v. overseeing the integrity of the Company's internal control and management information systems; and
 - vi. overseeing the Company's communication policy with its shareholders and with the public generally.

The Board's independent directors shall meet without management and non-independent directors present on a quarterly basis. If a Lead Director has been appointed, such meetings of the independent directors will be presided over by the Lead Director.

Outside Advisors and Fulfilling Responsibilities

A director may, with the prior approval of the Chairman of the Board, engage an outside advisor at the reasonable expense of the Company, where such director and the Chairman of the Board determine that it is appropriate in order for such director to fulfill his or her responsibilities, provided that the advice sought cannot properly be provided through the Company's management or through the Company's advisors in the normal course. If the Chairman of the Board is not available in the circumstances, or determines that it is not appropriate for such director to so engage outside counsel, the director may appeal the matter to the Corporate Governance and Nominating Committee, whose determination shall be final.

**APPENDIX B
SUMMARY OF EQUITY PLAN TERMS**

Long Term Incentive Plan

The following summarizes the key terms of the LTIP as adopted by the Board. Capitalized terms used in the summary of the LTIP below that are not otherwise defined herein, shall have the meanings given to such terms in the LTIP.

Administration. The Board will administer the LTIP and has the right to delegate the administration and operation of the LTIP, in whole or in part, to a committee of the Board.

Awards Available for Grant. Pursuant to the LTIP, the Board may grant restricted share units (“RSUs”) and performance share units (“PSUs”) and any combination of the foregoing.

Eligible Participants. As designated by the Board, RSUs and PSUs may be granted to any officer, director or employee of the Company or a Consultant of the Company or any Affiliates and any such person’s personal holding company.

Number of Shares. The maximum number of shares which may be reserved for issuance under the LTIP in respect of grants of RSUs and PSU to Eligible Participants, and for dividend-equivalent payments in respect thereof, cannot exceed 18,256,682 shares. As of December 31, 2018, there were 2,553,960 RSUs and 3,880,500 PSUs outstanding under the LTIP, representing, in aggregate, 35.2% of the maximum number of shares reserved for issuance. There are 11,822,222 shares available, being 64.8% of the maximum number of shares reserved for issuance under the LTIP.

Participation Limits. Unless the Company has received requisite shareholder approval, under no circumstances shall the LTIP, together with all other share compensation arrangements of the Company, result, at any time, in: (i) the aggregate number of shares reserved for issuance to insiders (as a group) at any point in time exceeding 10% of the Company’s issued and outstanding shares; (ii) the issuance to insiders (as a group), within a one-year period, of an aggregate number of shares exceeding 10% of the Company’s issued and outstanding shares; (iii) the aggregate number of shares reserved for issuance to all non-employee directors of the Company exceeding 1% of the Company’s issued and outstanding shares; or (iv) the grant to any individual non-employee director of the Company of more than CAD\$150,000 worth of shares annually.

Subject to compliance with the foregoing limitations, the LTIP does not provide for a maximum number of shares which may be issued to an individual pursuant to the LTIP.

Vesting. Each Grant Agreement will describe the vesting dates for RSUs and PSUs. The Company intends that for non-executive directors, RSUs will cliff vest three years after the date of grant and for all other participants, RSUs will have ratable vesting over three years. PSUs will cliff vest three years after the date of grant.

Term and Settlement. RSUs and PSUs will be settled on the first business day following the applicable vesting date but in all events in the calendar year in which such first business day occurs. RSUs and PSUs will be settled by the Company in shares issued from treasury, unless the Participant elects to settle in cash in which case the cash payment will be determined by the number of shares the Participant would be eligible to receive multiplied by the Market Value. The Company has the right to override the Participant’s election and settle such RSUs or PSUs in shares issued from treasury.

Cessation. Unless otherwise provided in the applicable Grant Agreement, if a Participant ceases to be an Eligible Person due to his or her termination or resignation without good reason, any unvested Units held by that Participant shall expire. The expiration of a Unit renders it void and incapable of settlement.

If the Participant ceases to be an Eligible Person because of a resignation with good reason or his or her death, then any unvested Units held by that Participant will immediately vest and become available for settlement. If the Participant ceases to be an Eligible Person because of his or her retirement, such Participant will continue to participate in the LTIP as if the Participant continued to be actively employed with the Company. If the Participant ceases to be an Eligible

Person because of a disability, all unvested Units held by such Participant will vest based on a pro-rated amount of months between the date of grant and the termination date and be settled in accordance with the LTIP. In respect of PSUs, the Board will calculate the actual performance criteria for the purposes of settlement.

Assignability. In no event may the Units under the LTIP be assigned or transferred in any way, except to the extent such Units may pass to a beneficiary or legal representative upon death of a participant.

Amendments. The Board may amend, revise or discontinue the terms and conditions of the LTIP in its sole discretion subject to certain limitations under the LTIP. The Board may, from time to time, in its discretion and without the approval of shareholders, make changes to the LTIP which do not require shareholder approval, which may include an amendment that: (i) is necessary to comply with any applicable law or any requirement of a stock exchange; (ii) is in respect of the administration of or eligibility for participation in the LTIP; (iii) is to alter, extend or accelerate the vesting or settlement terms of any Unit; or (iv) is of a "housekeeping nature", including those which are made to clarify the meaning of an existing provision of the LTIP, is to correct or supplement any provision of the LTIP that is inconsistent with any other provision of the LTIP, correct any grammatical or typographical errors or amend the definitions in the LTIP regarding administration of the LTIP.

The Board may not amend the LTIP without approval from the shareholders if any applicable law, or stock exchange rule, regulation or policy, requires that the amendment be approved by the shareholders. Shareholder approval of an amendment to the LTIP is specifically required where the amendment: (i) increases the maximum number of shares issuable under the LTIP; (ii) alters the participation limits for insiders or non-employee directors; (iii) extends the time for which a Unit expires beyond its original expiry date; (iv) permits the assignment or transfer of a unit other than for normal estate settlement purposes; or (v) amends the amendment provisions of the LTIP.

Market Value. Market Value means, in relation to a share, the volume weighted average trading price of the share on the Toronto Stock Exchange (the "TSX") for the five immediately preceding trading days.

Adjustments. The LTIP provides that appropriate adjustments, if any, will be made by the Board in connection with a reclassification, reorganization, or other change of shares, consolidation, distribution, merger or amalgamation, in order to maintain the participant's economic rights in respect of their units in connection with such change in capitalization.

Dividend Equivalents. If a dividend becomes payable by the Company on its shares, participants will be entitled to be credited with dividend equivalent payments in the form of additional RSUs and/or PSUs, as applicable, which additional units will be settled at the same time that the underlying RSUs and/or PSUs, as applicable, are settled.

Black-out period. A Participant that receives shares in satisfaction of a Unit during a black-out period may not sell or otherwise dispose of those shares during the black-out period. If a Participant chooses to receive cash on the settlement of Units and the settlement date falls during a black-out period, then the Cash Equivalent will be calculated with a Market Value on the date that is seven days following the date the relevant black-out period is lifted, terminated or removed.

Change of Control. In the event of a change of control transaction in which there is an acquiring or surviving entity, the Board may provide for substitute or replacement units of similar value from the acquiring or surviving entity or one or more of its subsidiaries. In addition, if a participant is terminated without cause or resigns with good reason, within twelve months following a change of control, unvested Units or replacement equivalents become fully vested. In addition, on a change of control, the Market Value of a share underlying a Unit will be determined on the date of the change of control and such Unit will convert into the entitlement to receive a cash payment in accordance with the terms of the LTIP.

Clawback. The Board has adopted a clawback policy that will apply to all incentive payments awarded on or after January 1, 2016, including bonus payments, stock options, and PSU awards. The clawback policy will apply to the CEO and CFO of the Company, and provides the Board discretion to recover any or all incentive compensation that would have otherwise not been paid if the Board determines that: (i) there has been a material misstatement in the Company's financial statements resulting in the awarding of more PSUs and/or options, or the awarding of a larger bonus than would have

otherwise occurred; and (ii) the participant engaged in gross negligence or intentional misconduct, fraud or other misconduct or willful act engaged in by the applicable executive which resulted in the financial restatement by the Company. The actual clawback of incentive awards, if any, will be at the sole discretion of the Board. The Board will have up to a one-year period following the date the incentive payment is settled to enforce the clawback policy, if necessary.

Stock Option Plan

See Appendix C for a full blackline highlighting the proposed amendments to the Stock Option Plan.

The following summarizes the key terms of the Stock Option Plan, approved by shareholders on April 19, 2016. Capitalized terms used in the summary of the Stock Option Plan below that are not otherwise defined herein, shall have the meanings given to such terms in the Stock Option Plan.

Commencing in 2016, stock options are no longer awarded to NE directors and Executives.

Administration. The Board will administer the Stock Option Plan and has the right to delegate the administration and operation of the Stock Option Plan, in whole or in part, to a committee of the Board.

Eligible Participants. As designated by the Board, options may be granted to any employees, directors, officers and consultants of the Company and its Affiliates.

Number of Shares. The Stock Option Plan provides that the maximum number of shares issuable upon the exercise of options shall not exceed 5% percent of the issued and outstanding shares from time to time (on a non-diluted basis). As a result, should the Company issue additional shares in the future, the number of shares issuable pursuant to the Stock Option Plan will increase accordingly. Any shares subject to an option which has been exercised by a Participant or for any reason is cancelled or terminated without having been exercised, will again be available for grants under the Stock Option Plan. As of December 31, 2018, there were 470,567,619 shares issued and outstanding. As of December 31, 2018, there were 10,856,667 options outstanding under the Stock Option Plan, being 2.3% of the number of shares issued and outstanding. Therefore, a balance of 12,671,714 shares, representing 2.7% of the number of shares issued and outstanding are potentially issuable under the Stock Option Plan.

Proposed Amendment:

The proposed amendments to the Stock Option Plan provide that the shares reserved for issuance under the Stock Option Plan shall not exceed 3.5% of the total number of shares issued and outstanding from time to time. The share reserve has been reduced from the 5% share reserve, which was previously approved at the Company's 2016 AGM. Should the proposed amendment, to reduce the share reserve for issuance under the Stock Option Plan from 5% to 3.5% be approved by shareholders, a balance of 5,613,200 shares, representing 1.2% of the number of issued and outstanding shares will potentially be issuable under the Stock Option Plan.

Participation Limits. Unless the Company has received requisite shareholder approval, under no circumstances will the Stock Option Plan, together with all other share compensation arrangements of the Company, result, at any time, in: (i) the aggregate number of shares reserved for issuance to insiders (as a group) at any point in time exceeding 10% of the Company's issued and outstanding shares; (ii) the issuance to insiders (as a group), within a one-year period, of an aggregate number of shares exceeding 10% of the Company's issued and outstanding shares; (iii) the aggregate number of shares reserved for issuance to all non-employee directors of the Company exceeding 1% of the Company's issued and outstanding shares; or (iv) the annual grant to any individual non-employee director of the Company under all share Compensation Arrangements exceeding a grant value of CAD\$100,000 in options or CAD\$150,000 in full value equity awards.

Exercise Price. The exercise price may not be less than the closing price of the shares on the TSX on the trading day that immediately preceded the date of the grant.

Vesting. The vesting schedule for any option outstanding under the Stock Option Plan is determined by the Board, acting in its sole discretion, and is stated in the Stock Option Certificate. Once vested, an option holder may exercise such options and the Company will issue shares from treasury in accordance with the Stock Option Plan.

Term. An option granted under the Stock Option Plan has a maximum term of five years from the date it was granted.

Cessation. Unless the Board decides otherwise, options granted under the Stock Option Plan expire at the earlier of their expiry date and: (i) 30 days after the option holders' termination by the Company with cause or resignation without good reason; (ii) 3 years after the option holders' retirement; (iii) 12 months after the option holders' death; and (iv) 90 days after resignation with good reason or termination by the Company without cause.

Assignability. Options are not assignable or transferrable by an option holder and may only be exercised during the lifetime of the option holder by the option holder personally. Options may be transferred upon the death of an option holder (subject to the cessation limitations above).

Amendments. Subject to compliance with TSX rules, the Board may, without shareholder approval, amend, suspend or terminate the Stock Option Plan or the terms of any option previously granted, provided that such amendments do not require approval of the shareholders, which may include amendments: (i) to amend the vesting provisions of an option; (ii) as are necessary to comply with any applicable law or any requirement of a stock exchange; (iii) that are of a "housekeeping nature", including those which are made to clarify the meaning of an existing provision of the Stock Option Plan, is to correct or supplement any provision of the Stock Option Plan that is inconsistent with any other provision of the Stock Option Plan, correct any grammatical or typographical errors or amend the definitions in the Stock Option Plan regarding administration of the Stock Option Plan; or (iv) regarding the administration of the Stock Option Plan.

However, shareholder approval (as well as compliance with applicable TSX rules) is required if the Board seeks to amend the Stock Option Plan for any of the following purposes: (i) to increase the maximum reserve of shares permitted under the Stock Option Plan; (ii) to reduce the exercise price of outstanding options, cancel and reissue options or extend the expiry date of an option or a substitution of options with cash or other awards on terms more favourable to a participant; (iii) to amend the insider participation limits; (iv) any change that would materially modify the eligibility requirements for participation in the Stock Option Plan; (v) any amendment relating to the grant of options to non-employee directors; (vi) any amendment to the amendment provisions; or (vii) to allow for an option to be transferable or assignable, other than for normal estate settlement purposes.

Proposed Amendment:

The proposed amendments to the Stock Option Plan include changes to the amendment provisions of the Stock Option Plan. Although such changes are of an administrative or clarification nature, as noted above, the Stock Option Plan provides that any changes that are made to the amendment provisions of the Stock Option Plan require shareholder approval. The Company is seeking shareholder approval for those such amendments.

The specific amendments proposed to section 3.5(4) of the Stock Option Plan are as follows:

'Shareholder approval is required for the following amendments to this Plan:

- (a) any increase in the maximum number of Shares that may be issuable pursuant to Options granted under this Plan as set out in Section 3.3(3);
- (b) any reduction in the Exercise Price, except as provided in Section 3.3(4), or cancellation and reissue of options or extension of the Expiry Date of an Option, except as provided in Section 4.4(2) or a substitution of Options with cash or other awards on terms that are more favourable to the Participant;
- (c) any amendment ~~to that removes or exceeds~~ the Insider participation limit set out in Section 3.4;
- (d) any amendment to Section 3.5(3) and (4);
- (e) any change that would materially modify the eligibility requirements for participation in this Plan;
- (f) any amendment ~~to Section 3.4(3) relating to the grant of Options to~~ that increases the limits imposed on Non-Employee ~~Directors~~ Director participation in the Plan; and
- (g) any amendment ~~to Section 4.6 which would allow for the transfer or assignment of Options under this Plan, other than for normal estate settlement purposes.~~

Proposed Amendment:

Withholdings.

The proposed amendments to the Stock Option Plan provide that participants are responsible for all applicable withholding taxes resulting from their receipt of shares pursuant to the Stock Option Plan. Participants shall, at their discretion, provide the Company with any amount as necessary so as to ensure that the Company is in compliance with applicable laws relating to the applicable withholding taxes in connection with their participation under the Stock Option Plan. In addition, participants may authorize a securities dealer, to sell in the market a portion of the shares issued to realize cash proceeds to be used to satisfy the applicable withholding taxes. Participants are also responsible for completing and filing any tax returns which may be required under applicable tax laws within the applicable periods.

Adjustments. The Stock Option Plan provides that appropriate adjustments, if any, will be made by the Board in connection with a reclassification, reorganization, or other change of shares, consolidation, distribution, merger or amalgamation, in order to maintain the participant's economic rights in respect of their options in connection with such change in capitalization, including adjustments to the exercise price or the number of shares to which a participant is

entitled upon exercise of options, or permitting the immediate exercise of any outstanding options that are not otherwise exercisable.

Black-out Period. No option will be granted during a black-out period or other trading restriction imposed by the Company or any other time when the Board or the Company has material undisclosed information. An option holder may not exercise an option if the Company has imposed a black-out period. If an option would expire during or within nine days of a black-out period, then the expiry date of that option will automatically extend to the date that is 10 business days following the date that the black-out period ends.

Proposed Amendment:

The proposed amendments to the Stock Option Plan include a provision in respect of the treatment of options held by US participants for the purposes of compliance with Section 409A of the *United States Internal Revenue Code of 1986*. Specifically, if the expiry date of options granted fall on a date upon which a participant is prohibited from exercising their option due to a black-out period or other Company imposed trading restriction, then the expiry date of such options will, to the extent permitted under Section 409A, be automatically extended to the tenth (10th) business day following the date the relevant black-out period or other Company imposed trading restriction is lifted, terminated or removed.

Proposed Amendment:

Exercise of Options.

The proposed amendment to the Stock Option Plan includes allowing participants to exercise their vested options and participate in a broker-assisted cashless exercise for payment of the participant's exercise price and withholding taxes in respect of their vested options being exercised.

Change of Control. In the event of a change of control transaction in which there is an acquiring or surviving entity, the Board may provide for substitute or replacement options of similar value from the acquiring or surviving entity or one or more of its subsidiaries. In addition, if a participant is terminated without cause or resigns with good reason, within twelve months following a change of control, unvested options or replacement equivalents become fully vested.

Proposed Amendment:

The proposed amendments to the Stock Option Plan provide that in the event of a change of control transaction, if a participant is terminated without cause or resigns with good reason, within twelve months following a change of control, unvested options or replacement equivalents become fully vested and each such vested option will cease to be exercisable on the earlier of the original expiry date of the option and 12 months following the termination date.

APPENDIX C

AFRICA OIL CORP.
STOCK OPTION PLAN

ARTICLE 1
PURPOSE

SECTION 1.1 PURPOSE

The purpose of this Plan is to provide the Corporation with a share-related mechanism to attract, retain and motivate qualified Directors and Employees, to reward such Directors and Employees for their contributions toward the long-term goals of the Corporation and to enable and encourage such Directors and Employees to acquire Shares as long-term investments.

ARTICLE 2
INTERPRETATION

Section 2.1 Defined Terms

For the purposes of this Plan, the following terms have the following meanings:

- (a) "Affiliate" or "Affiliated" means, with respect to any specified person, any other person which directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, such specified person (for the purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as used with respect to any person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such person, whether through the ownership of voting securities, by agreement or otherwise);
- (h) "Applicable Withholding Taxes" means any and all taxes and other source deductions or other amounts which the Corporation or any of its Affiliates is required by law to withhold from any amounts to be paid or credited hereunder;
- (i) ~~(b)~~ "Associate" has the meaning specified in Section 1 of the *Securities Act* (Ontario);
- (j) ~~(e)~~ "Board" means the Board of Directors of the Corporation or, as applicable, such committee of the Board to which the Board may choose to delegate authority to administer the Plan;
- (k) ~~(e)~~ "Business Day" means any day other than a Saturday, Sunday or statutory or civic holiday in the City of Vancouver, British Columbia;
- (l) ~~(e)~~ "Cause" (i) if the Participant has a written employment agreement with the Corporation or an Affiliate in which "cause" is defined, "cause" as defined therein; or otherwise (ii) (A) the inability of the Participant to perform his duties due to a legal impediment such as an injunction, restraining order or other type of judicial judgment, decree or order entered against the Participant; (B) any material breach by the Participant of his obligations under any code of ethics, any other code of business conduct or any lawful policies or procedures of the Corporation; (C) excessive absenteeism, flagrant neglect of duties, serious misconduct, or conviction of a crime or fraud; and (D) any other act or omission of the Participant which would in law permit an employer to, without notice or payment in lieu of notice, terminate the employment of an employee;
- (m) ~~(f)~~ "Change of Control Event" means:
 - (i) the sale to a person, other than a subsidiary of the Corporation, of all or substantially all of the Corporations' assets;
 - (ii) the acquisition by any person (whether from the Corporation or from any other person) of Shares or other securities of the Corporation having rights of purchase, conversion or exchange into Shares of the Corporation which together with securities of the Corporation held by such person, together with persons acting jointly or in concert with such person,

exceeds fifty percent (50%) of the issued and outstanding Shares of the Corporation on a fully diluted basis (i.e. for either test, the purchase, conversion or exchange of such other securities, whether then purchasable, convertible or exchangeable or not, into the highest number of Shares of the Corporation, such person or persons would be entitled to);

- (iii) the amalgamation or merger of the Corporation with or into any one or more other corporations (other than: (a) an amalgamation or merger of the Corporation with or into a ~~Subsidiary~~subsidiary of the Corporation; or (b) an amalgamation or merger of the Corporation unanimously recommended by the Board provided that the former holders of Shares receive, in the aggregate and in their capacities as such, shares of the amalgamated or merged corporation having attached thereto not less than 51% of the votes attached to all shares of such amalgamated or merged corporation);
- (iv) the election at a meeting of the Shareholders of that number of persons which would represent a majority of the Board as directors of the Corporation, who are not included in the slate for election as directors proposed to the Shareholders by the Board;
- (v) the completion of any transaction or the first of a series of transactions which would have the same or similar effect as any transaction or series of transactions referred to in subsections (i), (ii), (iii) or (iv) above; or
- (vi) a reasonable determination by the Board that there has been a change, whether by way of a change in the holding of the Shares, in the ownership of the Corporation's assets or by any other means, as a result of which any person or group of persons acting jointly or in concert is in a position to exercise effective control of the Corporation;

(n) ~~(c)~~ "Consultant" has the meaning ascribed to that term in National Instrument 45-106 of the Canadian Securities administrators, excluding, however, any individual who is also an Employee or Non-Employee Director;

(o) ~~(h)~~ "Corporation" means Africa Oil Corp., a corporation existing under the laws of the Province of British Columbia, and includes any successor corporation thereto;

(p) ~~(i)~~ "Director" means any individual holding the office of director of the Corporation;

(q) ~~(j)~~ "Disability" means the inability of a Participant to perform the duties associated with his position for one hundred and eighty (180) consecutive days as a result of his incapacity due to physical or mental illness;

(r) ~~(k)~~ "Eligible Person" means any officer, Director, Employee or Consultant of the Corporation or any of its Affiliates;

(s) ~~(l)~~ "Employee" means any individual regularly employed on a full-time or part-time basis by the Corporation or Affiliate;

(t) ~~(m)~~ "Exercise Price" means the price at which an Option may be exercised as determined in accordance with Section 4.2;

(u) ~~(n)~~ "Expiry Date" means the date determined in accordance with Section 4.4(1) and after which a particular Option cannot be exercised;

(v) ~~(o)~~ "Good Reason" means the occurrence of any of the following events without the Participant's written consent:

- (vii) Any material adverse change in the Participant's position, duties, authority or responsibilities;
- (viii) A material reduction by the Corporation in the Participant's base salary or bonus opportunity, if applicable;
- (ix) A material change to the Corporation's health and welfare benefit plans; and

- (x) A change in the Participant's principal place of employment by a distance of 35 kilometers or more, unless the new principal place of employment is within 35 kilometers of the Participant's then current residence;
- ~~(w)~~ (w) ~~(w)~~ "Insider" means a "reporting insider" as defined in National Instrument 55-104 *Insider Reporting Requirements and Exemptions*;
- ~~(x)~~ (x) ~~(x)~~ "Market Price" means the closing price of the Share on the Stock Exchange on the last trading day immediately prior to the date of the grant of the Option;
- ~~(y)~~ (y) ~~(y)~~ "Non-Employee-Director" means any Director of the Corporation or its Affiliates that is not an Employee of the Corporation or its Affiliates;
- ~~(z)~~ (z) ~~(z)~~ "Option" means an option to acquire Shares granted to an Eligible Person pursuant to the terms of this Plan;
- ~~(aa)~~ (aa) ~~(aa)~~ "Option Period" has the meaning specified in Section 4.4(1);
- ~~(bb)~~ (bb) ~~(bb)~~ "Participant" means an Eligible Person to whom Options have been granted and are outstanding;
- ~~(cc)~~ (cc) ~~(cc)~~ "Plan" means this Africa Oil Corp. Stock Option Plan (including Appendix "A"), as may be amended from time to time;
- ~~(dd)~~ (dd) ~~(dd)~~ "Retirement" means the cessation of the employment of a Participant with the Corporation on or after the date the Participant has attained the age of 60 and completed ten (10) years of continuous service with the Corporation and its subsidiaries, or under other circumstances approved by the Board;
- ~~(ee)~~ (ee) ~~(ee)~~ "Shares" means common shares in the capital of the Corporation, and includes any shares of the Corporation into which such shares may be changed, classified, reclassified, subdivided, consolidated or converted from time to time;
- ~~(ff)~~ (ff) ~~(ff)~~ "Share Compensation Arrangement" means any stock option, stock option plan, employee stock purchase plan, long-term incentive plan or any other compensation or incentive mechanism of the Corporation involving the issuance or potential issuance of securities of the Corporation from treasury, including without limitation a Share purchase from treasury which is financially assisted by the Corporation by way of a loan, guarantee or otherwise, but does not include any such arrangement which does not involve the issuance from treasury or potential issuance from treasury of securities of the Corporation;
- ~~(gg)~~ (gg) ~~(gg)~~ "Shareholders" means the holders of Shares;
- ~~(hh)~~ (hh) ~~(hh)~~ "Stock Exchange" means the Toronto Stock Exchange or, if the Shares are not listed or posted for trading on the Toronto Stock Exchange at a particular date, any other stock exchange on which the majority of the trading volume and value of the Shares are listed or posted for trading;
- ~~(ii)~~ (ii) ~~(bb)~~ "Stock Option Certificate" has the meaning specified in Section 4.1(1); and
- ~~(jj)~~ (jj) ~~(ee)~~ "Termination Date" means, in respect of a Participant, such Participant's last date of actual and active employment with the Corporation or an Affiliate, which date may be determined unilaterally by the Corporation or an Affiliate or by mutual agreement between the Corporation or an Affiliate and the Participant; ~~and (dd)~~
~~_____ "Withholding Obligations" has the meaning specified in Section 3.8(1).~~

Section 2.2 Interpretation

- (1) Whenever the Board is to exercise discretion or authority in the administration of the terms and conditions of this Plan, the term "discretion" or "authority" means the sole and absolute discretion of the Board.
- (2) In the Plan, words importing the singular shall include the plural and vice versa and words importing any gender include any other gender.

(3) Unless otherwise specified in the Stock Option Certificate, all references to money amounts are to Canadian currency.

(4) As used herein, the terms "Article" and "Section" mean and refer to the specified Article and Section of this Plan, respectively.

(5) The words "including" and "includes" mean "including (or includes) without limitation".

Article 3 ADMINISTRATION

Section 3.1 Administration

- (1) Subject to Section 3.2, this Plan will be administered by the Board.
- (2) Subject to the terms and conditions set forth in this Plan (including Appendix "A" hereto), the Board is authorized to provide for the granting, exercise and method of exercise of Options, all on such terms (which may vary between Options granted from time to time) as it determines. In addition, the Board has the authority to (i) construe and interpret this Plan and all agreements entered into under this Plan; (ii) prescribe, amend and rescind rules and regulations relating to this Plan; and (iii) make all other determinations necessary or advisable for the administration of this Plan. All determinations and interpretations made by the Board will be binding on all Participants and on their legal, personal representatives and beneficiaries.
- (3) No member of the Board will be liable for any action or determination taken or made in good faith in the administration, interpretation, construction or application of this Plan, any Stock Option Certificate or any Option granted pursuant to this Plan.

Section 3.2 Delegation to Committee

Despite Section 3.1 or any other provision contained in this Plan, the Board has the right to delegate the administration and operation of this Plan, in whole or in part, to a committee of the Board and/or to any member of the Board. In such circumstances, all references to the Board in this Plan include reference to such committee and/or member of the Board, as applicable.

Section 3.3 Shares Reserved

- (1) Subject to Section 3.3(4), the securities that may be acquired by Participants under this Plan will consist of authorized but unissued Shares.
- (2) The Corporation will at all times during the term of this Plan ensure that it is authorized to issue such number of Shares as are sufficient to satisfy the requirements of this Plan.
- (3) The aggregate number of Shares issuable under this Plan shall not exceed 3.55% of the total number of Shares issued and outstanding from time to time (calculated on a non-diluted basis). Any Shares subject to an Option which has been exercised by a Participant or for any reason is cancelled or terminated without having been exercised, will again be available for grants under this Plan. Fractional shares will not be issued and will be treated as specified in Section 3.9(3).
- (4) If prior to the complete exercise of any Option, there is a change in the issued and outstanding Shares by reason of any stock dividend or split, recapitalization, amalgamation, consolidation, combination or exchange of shares, or other corporate change, the Board will make, with the intent that the rights of Participants under their Options are, to the extent possible, preserved despite the occurrence of such events, and subject where required to the prior approval of the Stock Exchange, appropriate substitution or adjustment in:
 - (a) the number or kind of securities of the Corporation (including Shares) reserved for issuance pursuant to this Plan; and

- (b) the number and kind of securities of the Corporation (including Shares) subject to unexercised Options granted prior to such change and in the Exercise Price of such securities,

without any change in the total price applicable to the unexercised portion of the Option but with a corresponding adjustment in the price for each Share covered by the Option; provided, however, that no substitution or adjustment will obligate the Corporation to issue or sell fractional Shares. If the Corporation is reorganized, amalgamated with another corporation or consolidated, the Board will make such provisions for the protection of the rights of Participants as the Board in its sole discretion deems appropriate.

Section 3.4 Limits with Respect to Insiders

- (1) Unless the Corporation has received requisite Shareholder approval, under no circumstances shall this Plan, together with all other Share Compensation Arrangements, result, at any time, in:
- (a) the aggregate number of Shares reserved for issuance to Insiders (as a group) at any point in time exceeding 10% of the Corporation's issued and outstanding Shares; and
 - (b) the issuance to Insiders (as a group), within a one-year period, of an aggregate number of Shares exceeding 10% of the Corporation's issued and outstanding Shares.
- (2) Any Option granted to a Participant pursuant to this Plan, or securities issued under any other Share Compensation Arrangement, prior to the Participant becoming an Insider will be excluded for the purposes of the limits set out in (a) and (b) above.
- (3) Despite the foregoing and for greater certainty, Options held by Non-Employee Directors will at all times be limited to no more than 1% of the Shares issued and outstanding from time to time (calculated on a non-diluted basis) and the total annual grant to any one Non-Employee Director under all Share Compensation Arrangements cannot exceed a grant value of ~~100,000 and~~ \$150,000 in total equity (with no more than \$100,000 attributable to Options).

Section 3.5 Amendment and Termination

- (1) The Board may suspend or terminate this Plan at any time, or from time to time amend or revise the terms of this Plan or of any Option granted under this Plan and any Stock Option Certificate relating to it, provided that no such suspension, termination, amendment or revision will be made:
- (a) except in compliance with applicable law (including, if applicable, Section 409A, as that term is defined in Appendix "A") and with the prior approval, if required, of the Stock Exchange or any other regulatory body having authority over the Corporation, this Plan or the Shareholders; and
 - (b) in the case of an amendment or revision to this Plan or any Stock Option Certificate, if it would materially adversely affect the rights of any Participant, without the consent of the Participant.
- (2) If this Plan is terminated, the provisions of this Plan and any administrative guidelines and other rules and regulations adopted by the Board and in force on the date of termination will continue in effect as long as any Option or any rights granted pursuant to this Plan remain outstanding and, despite the termination of this Plan, the Board may make such amendments to this Plan or to the terms of any outstanding Options as they would have been entitled to make if this Plan were still in effect.
- (3) Subject to any applicable rules of the Stock Exchange (including, if applicable, Section 409A, as that term is defined in Appendix "A"), the Board may from time to time, in its absolute discretion and without the approval of Shareholders, make any amendments to this Plan or any Option that do not require the approval of Shareholders under Section 3.5(4), including the following:
- (a) amend the vesting provisions of this Plan and any Stock Option Certificate;
 - (b) amend this Plan, any Stock Option Certificate or any Option as necessary to comply with applicable law or the requirements of the Stock Exchange or any other regulatory body having authority over the Corporation, this Plan or the Shareholders;

- (c) any amendment of a “housekeeping” nature, including, without limitation, to clarify the meaning of an existing provision of this Plan, correct or supplement any provision of this Plan that is inconsistent with any other provision of this Plan, correct any grammatical or typographical errors or amend the definitions in this Plan regarding administration of this Plan; and
 - (d) any amendment respecting the administration of this Plan.
- (4) Shareholder approval is required for the following amendments to this Plan:
- (a) any increase in the maximum number of Shares that may be issuable pursuant to Options granted under this Plan as set out in Section 3.3(3);
 - (b) any reduction in the Exercise Price, except as provided in Section 3.3(4), or cancellation and reissue of options or extension of the Expiry Date of an Option, except as provided in Section 4.4(2) or a substitution of Options with cash or other awards on terms that are more favourable to the Participant;
 - (c) any amendment ~~to~~ that removes or exceeds the Insider participation limit set out in Section 3.4;
 - (d) any amendment to Section 3.5(3) and (4);
 - (e) any change that would materially modify the eligibility requirements for participation in this Plan;
 - (f) any amendment ~~to Section 3.4(3) relating to the grant of Options to~~ that increases the limits imposed on Non-Employee ~~Directors~~ Director participation in the Plan; and
 - (g) any amendment ~~to Section 4.6~~ which would allow for the transfer or assignment of Options under this Plan, other than for normal estate settlement purposes.

Section 3.6 Compliance with Legislation

- (1) This Plan, the terms of the issue or grant of, and the grant and exercise of, any Option under this Plan, and the Corporation’s obligation to sell and deliver Shares upon the exercise of Options, is subject to all applicable federal, provincial and foreign laws, rules and regulations, the rules and regulations of the Stock Exchange and to such approvals by any regulatory or governmental agency as may, in the opinion of counsel to the Corporation, be required. The Corporation is not obliged by any provision of this Plan or the grant of any Option under this Plan to issue or sell Shares if, in the opinion of the Board, such action would constitute a violation by the Corporation or a Participant of any laws, rules and regulations or any condition of such approvals.
- (2) The Participant agrees to fully cooperate with the Corporation in doing all such things, including executing and delivering all such agreements, undertakings or other documents or furnishing all such information as is reasonably necessary to facilitate compliance by the Corporation with such laws, rule and requirements, including all tax withholding and remittance obligations.
- (3) No Option will be granted, and no Shares issued under this Plan, where such grant, issue or sale would require registration of this Plan or of Shares under the securities laws of any foreign jurisdiction, and any purported grant of any Option or purported issue of Shares under this plan in violation of this provision is void.
- (4) The Corporation has no obligation to issue any Shares pursuant to this Plan unless such Shares have been duly listed, upon official notice of issuance, with the Stock Exchange. Shares issued and sold to Participants pursuant to the exercise of Options may be subject to limitations on sale or resale under applicable securities laws.
- (5) If Shares cannot be issued to a Participant upon the exercise of an Option due to legal or regulatory restrictions, the obligation of the Corporation to issue such Shares will terminate and any funds paid to the Corporation in connection with the exercise of such Option will be returned to the applicable Participant as soon as practicable.

Section 3.7 Effective Date

- (1) The Plan was initially adopted by the Board on February 26, 2016, ~~subject to the acceptance and approval of the Plan by the Stock Exchange and the Shareholders. Any Options granted to Participants prior to the Plan being accepted and approved by Shareholders, shall be subject to such approval and acceptance being given and no such Options may be exercised unless and until such approval and acceptance are given and was approved by the requisite majority of Shareholders on April 19, 2016.~~
- (2) Should any changes to this Plan be required by any securities commission or other governmental body of any jurisdiction of Canada to which this Plan has been submitted or by any stock exchange on which the Shares may from time to time be listed, such changes will be made to this Plan as are necessary to conform with such requests and, if such changes are approved by the Board, this Plan, as amended, will remain in full force and effect in its amended form as of and from that date.

Section 3.8 Tax Withholdings

- (1) ~~Despite any other provision contained in this Plan, in connection with the exercise of an Option by a Participant from time to time, the Corporation may withhold from any amount payable to a Participant, including the issuance of Shares to a Participant upon the exercise of such Participant's Options, such amounts as are required by law to be withheld or deducted as a consequence of his exercise of Options or other participation in this Plan ("Withholding Obligations"). The Corporation has the right, in its sole discretion, to satisfy any Withholding Obligations by: It is the responsibility of the Participant to complete and file any tax returns which may be required under Canadian, U.S. or other applicable jurisdiction's tax laws within the periods specified in those laws as a result of the Participant's participation in this Plan.~~
- (2) Notwithstanding any other provision of this Plan, a Participant shall be solely responsible for all Applicable Withholding Taxes resulting from his or her receipt of Shares or other property pursuant to this Plan. In connection with the issuance of Shares or any other taxable event pursuant to this Plan, a Participant shall, at the Participant's discretion, timely:
 - (a) ~~selling or causing to be sold, on behalf of any Participant, such number of Shares issued to the Participant on the exercise of Options as is sufficient to fund the Withholding Obligations; pay to the Corporation an amount as necessary so as to ensure that the Corporation is in compliance with the applicable provisions of any federal, provincial, local or other law relating to the Applicable Withholding Taxes in connection with such issuance;~~
 - (b) ~~retaining the amount necessary to satisfy the Withholding Obligations from any amount which would otherwise be delivered, provided or paid to the Participant by the Corporation, whether under this Plan or otherwise;~~
 - (a) (c) requiring the Participant, as a condition of exercise pursuant to Section 4.4 to (i) remit the amount of any such Withholding Obligations to the Corporation in advance; (ii) reimburse the Corporation for any such Withholding Obligations; or (iii) cause a broker who sells Shares acquired by the Participant to authorize a securities dealer, on behalf of the Participant to withhold from the proceeds realized from such sale the amount required to satisfy any such, to sell in the capital markets a portion of the Shares issued hereunder to realize cash proceeds to be used to satisfy the Applicable Withholding Obligation and to remit such amount directly to the Corporation; and/Taxes; or
 - (b) (d) making suchmake other arrangements asacceptable to the Corporation may reasonably requireto fund the Applicable Withholding Taxes.
- (3) ~~(2)~~ The Participant further acknowledges that the sale price of the Shares will fluctuate with the market price of the Shares and no assurance can be given that any particular price will be received upon any sale.

Section 3.9 Miscellaneous

- (1) Nothing contained in this Plan will prevent the Board from adopting other or additional Share Compensation Arrangements or compensation arrangements, subject to any required approval.
- (2) This Plan does not grant any Participant or any Employee of the Corporation or its Affiliates the right or obligation to serve or continue to serve as a Consultant, Director, officer or Employee, as the case may be, of the Corporation or its Affiliates. The awarding of Options to any Eligible Person is a matter to be determined solely in the discretion of the Board. This Plan will not in any way fetter, limit, obligate, restrict or constrain the Board with regard to the allotment or issue of any Shares

or any other securities in the capital of the Corporation other than as specifically provided for in this Plan. The grant of an Option to, or the exercise of an Option by, a Participant under this Plan does not create the right for such Participant to receive additional grants of Options under this Plan.

- (3) No fractional Shares will be issued upon the exercise of Options granted under this Plan and, accordingly, if a Participant would become entitled to a fractional Share upon the exercise of an Option, or from an adjustment pursuant to Section 3.3(4), such Participant will only have the right to purchase the next lowest whole number of Shares, and no payment or other adjustment will be made with respect to the fractional interest so disregarded.
- (4) The Corporation makes no representation or warranty as to the future market value of the Shares or with respect to any income tax matters affecting the Participant resulting from the grant or exercise of an Option and/or transactions in the Shares. Neither the Corporation, nor any of its directors, officers, employees, Shareholders or agents will be liable for anything done or omitted to be done by such person or any other person with respect to the price, time, quantity or other conditions and circumstances of the issuance of Shares under this Plan, with respect to any fluctuations in the market price of Shares or in any other manner related to this Plan.
- (5) The Board may adopt such rules or regulations and vary the terms of this Plan and any Option issued in accordance with this Plan as it considers necessary to address tax or other requirements of any applicable non-Canadian jurisdiction, including, without limitation, Section 409A (as that term is defined in Appendix "A" hereto).
- (6) Participants (and their legal personal representatives) have no legal or equitable rights, claims, or interest in any specific property or assets of the Corporation or any Affiliate. No assets of the Corporation or any Affiliate will be held in any way as collateral security for the fulfillment of the obligations of the Corporation or any Affiliate under this Plan. Any and all of the Corporation's or any Affiliate's assets are, and remain, the general unpledged, unrestricted assets of the Corporation or Affiliate. The Corporation's or any Affiliate's obligation under this Plan are merely that of an unfunded and unsecured promise of the Corporation or such Affiliate to pay money in the future, and the rights of Participants (and their legal personal representatives) are no greater than those of unsecured general creditors.
- (7) For greater certainty, no amount will be paid to, or in respect of, a Participant under this Plan or pursuant to any other arrangement, and no additional Options will be granted to such Participant to compensate for a downward fluctuation in the price of the Shares, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose.
- (8) This Plan is established under by the laws of, and the provisions of the Plan shall be interpreted and construed in accordance with, the Province of British Columbia.

Article 4 OPTIONS

Section 4.1 Grants of Options

- (1) An Option will be evidenced by a stock option certificate ("**Stock Option Certificate**"), signed on behalf of the Corporation, which Stock Option Certificate will be in substantially the form of Appendix "B" attached to this Plan, or such other form as the Board may approve from time to time.
- (2) Subject to the provisions of this Plan, the Board has the authority to determine the limitations, restrictions and conditions, if any, in addition to those set forth in Section 3.1(2) and Section 4.3 hereof, applicable to the exercise of an Option. An Eligible Person may receive Options on more than one occasion under this Plan and may receive separate Options on any one occasion.
- (3) The Board may from time to time, in its discretion, grant Options to any Eligible Person upon the terms, conditions and limitations set forth in this Plan and such other terms, conditions and limitations permitted by and not inconsistent with this Plan as the Board may determine, provided that Options granted to any Participant must be approved by the Shareholders if the rules of the Stock Exchange require such approval. Despite the foregoing, no Option will be granted during a black-out period or other trading restriction imposed by the Corporation or any other time when the Board or the Corporation has any material undisclosed information.

Section 4.2 Exercise Price

An Option may be exercised at a price (the “**Exercise Price**”) established by the Board, in its sole discretion, at the time that the Option is granted, but in no event can the Exercise Price be less than the Market Price. The Exercise Price is subject to adjustment in accordance with the provisions of Section 3.3(4) hereof.

Section 4.3 Vesting

Options granted pursuant to the Plan shall vest and become exercisable by a Participant at such time or times as may be determined by the Board, in its sole discretion, at the date of the grant of the Option and as indicated in the Stock Option Certificate.

Section 4.4 Exercise of Options

(1) The period during which an Option may be exercised (the “**Option Period**”) will be determined by the Board at the time the Option is granted and set out in the Stock Option Certificate in respect of such Option, provided that:

- (a) all Options expire on the date (the “**Expiry Date**”) set out by the Board on the date of grant and as described in the applicable Stock Option Certificate provided that no Option will be exercisable for a period exceeding five (5) years from the date the Option is granted;
- (b) Options may not be exercised until they have vested;
- (c) the Option Period will be automatically reduced in accordance with Section 4.7 below upon the occurrence of any of the events referred to in such section; and
- (d) no Option in respect of which Shareholder approval is required under the rules of the Stock Exchange will be exercisable until such time as such Option has been approved by the Shareholders.

(2) Despite any other provision of this Plan, if the Expiry Date of an Option falls on, or within nine (9) Business Days immediately following, a date upon which a Participant is prohibited from exercising an Option due to a black-out period or other trading restriction imposed by the Corporation (but, for greater certainty, not a cease trade order or other restriction imposed by any person other than the Corporation), then the Expiry Date of such Option will be automatically extended to the tenth (10th) Business Day following the date the relevant black-out period or other trading restriction imposed by the Corporation is lifted, terminated or removed.

(4) Vested Options may be exercised by the Participant delivering to the Corporation a notice of exercise signed by the Participant or his or her legal representative, accompanied by payment in full of the aggregate Exercise Price and any Applicable Withholding Taxes in respect of the Options being exercised, payable:

- (a) ~~(3) The Exercise Price of each Share purchased under an Option must be paid in full~~ in cash, or by ~~bank draft or certified cheque at the time of such exercise, and upon~~ certified cheque, bank draft or money order payable to the Corporation or by such other means as might be specified from time to time by the Corporation; or
- (b) pursuant to a broker-assisted cashless exercise, whereby the Participant shall elect on the notice of exercise to receive an aggregate number of Shares that is equal to the number of Shares underlying the Options minus the number of Shares sold in the capital markets by a securities dealer as required to realize cash proceeds equal to the aggregate Exercise Price, any Applicable Withholding Taxes and any transfer costs charged by the securities dealer to sell the Shares.

Upon receipt of payment in full, the number of Shares in respect of which the ~~Option is~~Options are exercised will be duly issued to the Participant as fully paid and non-assessable, following which the Participant shall have no further rights, title or interest with respect to such Options.

(3) Upon the exercise of Options pursuant to this Section 4.4, the Corporation will immediately deliver, or cause the registrar and transfer agent of the Shares to deliver, to the relevant Participant (or his legal or personal representative) or to the order thereof, the number of Shares with respect to which Options have been exercised (subject to Section 3.7(2)).

- (4) Subject to the other provisions of this Plan and any vesting limitations imposed by the Board at the time of grant, Options may be exercised, in whole or in part, at any time or from time to time, by a Participant by written notice given to the Corporation as required by the Board from time to time.
- (5) Except as set forth in Section 4.7, no Option may be exercised unless the Participant is, at the time of such exercise, an Eligible Person of the Corporation or its Affiliates.

Section 4.5 Change of Control

- (1) Despite any other provision of this Plan, in the event of a Change of Control Event all unvested Options then outstanding will be substituted by or replaced with stock options of the surviving corporation (or any affiliate thereof) or the potential successor (or any affiliate thereto) (the “**continuing entity**”) on the same terms and conditions as the original Options.
- (2) If within 12 months following a Change of Control Event, a Participant’s service, consulting relationship, or employment with the Corporation, an Affiliate or the continuing entity is terminated without Cause, or the Participant resigns from his employment for Good Reason, the vesting of all Options then held by such Participant (and, if applicable, the time during which such Options may be exercised) will, at the discretion of the Board, be accelerated in full and each such vested Option will cease to be exercisable on the earlier of the original Expiry Date of the Option and 12 months following the Termination Date.
- (3) If, upon a Change of Control Event, the continuing entity fails to comply with Section 4.5(1) above, the vesting of all then outstanding Options (and, if applicable, the time during which such Options may be exercised) will, at the discretion of the Board, be accelerated in full.
- (4) Despite anything else to the contrary in this Plan, in the event of a potential Change of Control Event, the Board will have the power, in its sole discretion, to modify the terms of this Plan and/or the Options (including, for greater certainty, to cause the vesting of all unvested Options) to assist the Participants in tendering to a take-over bid or other transaction leading to a Change of Control Event. For greater certainty, in the event of a take-over bid or other transaction leading to a Change of Control Event, the Board has the power, in its sole discretion, to permit Participants to conditionally exercise their Options, such conditional exercise to be conditional upon the take-up by such offeror of the Shares or other securities tendered to such take-over bid in accordance with the terms of the take-over bid (or the effectiveness of such other transaction leading to a Change of Control Event). If, however, the potential Change of Control Event referred to in this Section 4.5(1) is not completed within the time specified (as the same may be extended), then despite this Section 4.5(1) or the definition of “Change of Control Event”, (i) any conditional exercise of vested Options will be deemed to be null, void and of no effect, and such conditionally exercised Options will for all purposes be deemed not to have been exercised, and (ii) Options which vested pursuant to this Section 4.5(1) will be returned by the Participant to the Company and reinstated as authorized but unissued Shares and the original terms applicable to such Options will be reinstated.
- (5) If the Board has, pursuant to the provisions of Section 4.5(1), permitted the conditional exercise of Options in connection with a potential Change of Control Event, then the Board will have the power, in its sole discretion, to terminate, immediately following actual completion of such Change of Control Event and on such terms as it sees fit, any Options not exercised (including all unvested Options).

Section 4.6 Transfer and Assignment

Options are not transferable or assignable by a Participant otherwise than by will or the laws of descent and distribution, and will be exercisable only by a Participant during the lifetime of the Participant and, subject to Section 4.7(1)(c), after death only by the Participant’s legal representative.

Section 4.7 Termination of Service

- (1) Subject to Section 4.7(2), and except as otherwise determined by the Board in its sole discretion:
 - (a) if a Participant ceases to be an Eligible Person as a result of his resignation from the Corporation without Good Reason, each unvested Option held by the Participant will automatically terminate and become void immediately upon resignation, and each vested Option will cease to be exercisable on the earlier of the original Expiry Date of the Option and thirty (30) days following the Termination Date;

- (b) if a Participant ceases to be an Eligible Person as a result of his Retirement, each unvested Option held by such Participant will continue to vest for a period of three (3) years from the date of his Retirement and all vested Options held by such Participant will cease to be exercisable on the earlier of the original Expiry Date of the Option and three (3) years from the date of his Retirement, and afterwards each vested Option held by such Participant will cease to be exercisable and all unvested Options will terminate and become void;
 - (c) if a Participant ceases to be an Eligible Person by reason of death, each unvested Option held by such Participant will vest immediately and the legal representative of the Participant may exercise the Participant's Options for the period ending on the earlier of (i) the original Expiry Date of the Option, and (ii) the date that is twelve (12) months following the date of the Participant's death;
 - (d) if a Participant ceases to be an Eligible Person as a result of his Disability, each unvested Option held by such Participant will continue to vest in accordance with the terms of grant of such Option and each vested Option held by such Participant will remain exercisable until the original Expiry Date of the Option;
 - (e) if a Participant ceases to be an Eligible Person as a result of such Participant's service, consulting relationship, or employment with the Corporation or an Affiliate having been terminated for Cause, each Option, whether vested or unvested, held by the Participant will automatically terminate and become void; and
 - (f) if a Participant ceases to be an Eligible Person as a result of such Participant's service, consulting relationship, or employment with the Corporation or an Affiliate having been terminated without Cause or such Eligible Person resigns with Good Reason, each unvested Option held by the Participant will automatically terminate and become void on the Termination Date and each vested Option will cease to be exercisable on the earlier of the original Expiry Date of the Option and ninety (90) days following the Termination Date, unless otherwise determined by the Board, in its sole discretion.
- (2) For the purposes of this Plan, a Participant's employment with the Corporation or an Affiliate is considered to have terminated effective on the last day of the Participant's actual and active employment with the Corporation or Affiliate, whether such day is selected by agreement with the individual, unilaterally by the Corporation or Affiliate and whether with or without advance notice to the Participant. For the avoidance of doubt, no period of notice, if any, or payment instead of notice that is given or that ought to have been given under applicable law, whether by statute, imposed by a court or otherwise, in respect of such termination of employment that follows or is in respect of a period after the Participant's last day of actual and active employment will be considered as extending the Participant's period of employment for the purposes of determining his entitlement under this Plan.

Section 4.8 Notice

Any notice required to be given by this Plan must be in writing and be given by registered mail, prepaid postage, or delivered by courier or by facsimile transmission addressed, if to the Corporation, to the office of the Corporation in Vancouver, British Columbia, Attention: Corporate Secretary; or if to a Participant, to such Participant at his address as it appears on the books of the Corporation or in the event of the address of any such Participant not so appearing, then to the last known address of such Participant; or if to any other person, to the last known address of such person.

Section 4.9 Rights of Participants

No person entitled to exercise any Option granted under this Plan has any of the rights or privileges of a Shareholder in respect of any underlying Shares issuable upon exercise of such Option, including without limitation, the right to participate in any new issue of Shares to existing holders of Shares, until such Option has been exercised and such underlying Shares have been paid for in full and issued to such person. For greater certainty, nothing contained in this Plan nor in any Option granted in accordance with this Plan is deemed to give any Participant any interest or title in or to any Shares or any other legal or equitable right against the Corporation or any of its Affiliates whatsoever other than as set forth in this Plan and pursuant to the exercise of any Option.

Section 4.10 Right to Issue Other Shares

The Corporation is not by virtue of this Plan restricted in any way from declaring and paying stock dividends, issuing further Shares, or varying or amending its share capital or corporate structure.

Section 4.11 Quotation of Shares

So long as the Shares are listed on the Toronto Stock Exchange, the Corporation must apply to the Toronto Stock Exchange for the listing or quotation, as applicable, of the Shares issued upon the exercise of all Options granted under this Plan, however, the Corporation cannot guarantee that such Shares will be listed or quoted on the Toronto Stock Exchange.

Appendix "A"

SPECIAL APPENDIX

to the

AFRICA OIL CORP.

Stock Option Plan

Special Provisions Applicable to Eligible Persons Subject to Section 409A of the United States Internal Revenue Code

This Appendix sets forth special provisions of the Africa Oil Corp. Stock Option Plan (the "Plan") applicable to Options that are subject to taxation under the United States Internal Revenue Code of 1986, as amended (the "Code"). The following provisions apply to any such Options notwithstanding anything to the contrary in the Plan, any Stock Option Certificate or any other agreement. All capitalized terms used in this Schedule "A" and not defined herein shall have the meaning attributed to them in the Plan.

Section 1.1 Definitions

For the purposes of this Appendix:

- (a) "Section 409A" means ~~section~~Section 409A of the Code and, as applicable, related United States Treasury Regulations; and
- (b) "US Taxpayer" means an Eligible Person ~~whose compensation from the Corporation or any of its Affiliates is subject to Section 409A~~who is a United States citizen or resident alien as defined for purposes of Section 7701(b)(1)(A) of the Code.

Section 1.2 Non-qualified stock options; Exemption from Section 409A-

- (1) Options granted to US Taxpayers are not intended to satisfy the requirements of Section 422 of the Code as "incentive stock options". Despite any provision of the Plan to the contrary, it is intended that Options granted under the Plan to US Taxpayers be exempt from Section 409A, and all provisions of the Plan will be construed and interpreted in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A.
- (2) Each US Taxpayer is solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on or for the account of such US Taxpayer in connection with the Plan (including any taxes and penalties under Section 409A), and neither the Corporation nor any Affiliate (or any officers, employees directors, representatives or advisors thereof) will have any obligation to indemnify or otherwise hold such US Taxpayer (or any beneficiary) harmless from any or all of such taxes or penalties.

Section 1.3 Eligibility

A US Taxpayer shall only qualify as an Eligible Person if, on the date of grant of an Option, the Corporation ~~will be~~is an "eligible issuer of service recipient stock" (as that term is defined in United States Treasury Regulation ~~section~~Section 1.409A-1(b)(5)(iii)(E)(1)) with respect to such US Taxpayer.

Section 1.4 Exercise Price-

So long as at the time of the grant of an Option the Shares are "readily tradable" (as determined under United States Treasury Regulation ~~section~~Section 1.409A-1(b)(5)(iv)(G)), the Exercise Price will be at least equal to the closing sale price of the Shares reported on the Exchange on which the Shares are listed on the last Business Day on which such Exchange is open for trading prior to the date of grant of such Option, and, if at the time of grant the Shares are not "readily tradable" (as determined under United States Treasury Regulation ~~section~~Section 1.409A-1(b)(5)(iv)(G)), the Exercise Price will be at least equal to the then-current fair market value of a Share as determined by the reasonable applicable of a reasonable valuation method in accordance with United States Treasury Regulation Section 1.409A-1(b)(5)(iv)(B).

Section 1.5 Adjustments; Substitutions; Modifications-

Options held by US Taxpayers will be (i) adjusted pursuant to Section 3.3(4) or otherwise, (ii) substituted or replaced pursuant to Section 4.5(1) or otherwise, or (iii) modified pursuant to Section 4.5(4) or otherwise only if and to the extent the adjustment, substitution, replacement or modification complies with Section 409A.

Section 1.6 Expiry of Option; Extension for Expiry During Black-Out Period

- (1) Options granted to US Taxpayers may not be exercised under any circumstances following the earlier of the Expiry Date and the 10th anniversary of the date of grant.
- (2) Notwithstanding Section 4.4(2) or any other contrary provision of the Plan, if the Expiry Date of an Option falls on (but not following) a date upon which a Participant is prohibited from exercising an Option due to a black-out period or other trading restriction imposed by the Corporation (but, for greater certainty, not a cease trade order or other restriction imposed by any person other than the Corporation), then the Expiry Date of such Option will, to the extent permitted under Section 409A, be automatically extended to the tenth (10th) Business Day following the date the relevant black-out period or other trading restriction imposed by the Corporation is lifted, terminated or removed.

Section 1.7 Use of Trust-

No trust will be established or funded with respect to Options granted to US Taxpayers if such trust would cause such Options to be treated as other than a stock right described in United States Treasury Regulation Section 1.409A-1(b)(5)(i)(A) or (B).

Section 1.8 Amendments-

The Board retains the power and authority to amend, modify or terminate the Plan (including this Appendix) and any Stock Option Certificate to the extent that the Board, in its sole discretion, deems necessary or advisable to comply with Section 409A. Such amendments, modifications or terminations may be made without the approval of any Participant.

Section 1.9 ~~Not~~Non-transferability of Options-

Except as otherwise set forth in the applicable Stock Option Certificate, no Option or any interest or participation therein may be transferred (other than by will or by the laws of descent and distribution) if such transfer would be treated as a “modification” of such Option for the purposes of the Code.

Appendix "B"

STOCK OPTION CERTIFICATE

This Stock Option Certificate is dated this [?] day of [?], 20[?] between Africa Oil Corp. (the "Corporation") and [Name] (the "Optionee").

WHEREAS the Optionee has been granted certain options ("Options") to acquire common shares in the capital of the Corporation ("Shares") under the Africa Oil Corp. Stock Option Plan (the "Option Plan"), a copy of which has been provided to the Optionee;

AND WHEREAS capitalized terms used in this Agreement and not otherwise defined have the meanings given to them in the Option Plan;

NOW THEREFORE for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. The Corporation confirms that the Optionee has been granted Options under the Option Plan on the following basis, subject to the terms and conditions of the Option Plan:

DATE OF GRANT	NUMBER OF OPTIONS	EXERCISE PRICE (CDN\$)/(USD\$)	VESTING SCHEDULE	EXPIRY DATE
[?]	[?]	[?]	[?]	[?]

2. Attached to this Stock Option Certificate as Schedule "A" is a form of notice that the Optionee may use to exercise any of his Options in accordance with Section 4.4 of the Option Plan at any time and from time to time prior to the Expiry Date of such Options.
3. By accepting this Stock Option Certificate, the Optionee represents, warrants and acknowledges (i) that he or she has read and understands the Option Plan and agrees to the terms and conditions thereof and of this Stock Option Certificate, including the early termination and forfeiture provisions set out in Section 4.7 pursuant to which he or she may forfeit Options for no consideration or have the Option Period reduced in connection with ceasing to be an Eligible Person; (ii) that he or she requested and is satisfied that the foregoing be drawn up in the English language. *Le soussigné reconnaît qu'il a exigé que ce qui précède soit rédigé et exécuté en anglais et s'en déclare satisfait*; (iii) his or her participation in the trade and acceptance of the options is voluntary; and (iv) that he or she has not been induced to participate in the Option Plan by expectation of engagement, appointment, employment, continued engagement, continued appointment or continued employment, as applicable, with the Corporation or its Affiliates.
4. [By accepting this Stock Option Certificate, the Optionee understands and acknowledges that the Shares, and any securities issued in respect of or in exchange for the Shares, may bear one or all of the following legends (in addition to any other legend which may be required by other arrangements between the parties hereto):
 - (a) "THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE LAWS, AND MAY NOT BE OFFERED, SOLD, ASSIGNED, PLEDGED, TRANSFERRED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT AND, IF REQUESTED BY THE CORPORATION, UPON DELIVERY OF AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE CORPORATION THAT THE PROPOSED TRANSFER IS EXEMPT FROM THE SECURITIES ACT."
 - (b) Any legend required by the securities laws of any state to the extent such laws are applicable to the Shares represented by the certificate so legended.]
5. This Stock Option Certificate is governed by the laws of the Province of British Columbia applicable therein. Time is of the essence of this Stock Option Certificate. This Stock Option Certificate will enure to the benefit of and will be binding upon the parties and their heirs, attorneys, guardians, estate trustees, executors, trustees and administrators and the successors of the Corporation.

IN WITNESS WHEREOF the parties have executed this Stock Option Certificate.

AFRICA OIL CORP.

Authorized Signing Officer

Name of Optionee:

Signature

CHECK THE BOX BELOW IF APPLICABLE:

I am a U.S. Taxpayer and understand that my Options are subject to the terms and conditions of the Plan as modified by Appendix A thereto.

SCHEDULE "A"
ELECTION TO EXERCISE STOCK OPTIONS

TO: AFRICA OIL CORP. (the "Corporation")

The undersigned option holder hereby irrevocably elects to exercise options ("**Options**") granted by the Corporation to the undersigned pursuant to a Stock Option Certificate dated , 20 under the Africa Oil Corp. Stock Option Plan (the "**Option Plan**") for the number of common shares in the capital of the Corporation ("**Shares**") in accordance with as set forth below.

I hereby elect to exercise my Options in accordance with Section 4.4 of the Option Plan:

Number of Shares to be Acquired: _____

Option Exercise Price (per Share): \$ _____

Aggregate ~~Purchase~~Exercise Price: \$ _____

Amount ~~enclosed~~ that is payable on account of withholding of tax or other required deductions relating to the exercise of the Options (contact the Corporation for details of such amount) (the "**Applicable Withholdings and Deductions**Withholding Taxes"): _____

\$ _____

~~Or check here if alternative arrangements have been made with the Corporation with respect to the payment of Applicable Withholdings and Deductions;~~

In connection with the foregoing:
~~and hereby tenders~~

(tick one)

I enclose cash, a certified cheque ~~or bank draft for such Aggregate Purchase Price, and, if applicable, Applicable Withholdings and Deductions, and directs such Shares to be registered in the name of~~ _____, bank draft or money order payable to the Corporation in the amount of \$ _____ (which reflects the aggregate Exercise Price of the Options plus the Applicable Withholding Taxes), and the foregoing shall be the full payment for the Shares to be received upon exercise of the Options and I acknowledge that the Shares will be issued to me only upon satisfaction of the requirements of Section 4.4 of the Option Plan; or

I hereby elect to receive an aggregate number of Shares that is equal to the number of Shares underlying the Options being exercised minus the number of Shares sold in the capital markets by a securities dealer as required to realize cash proceeds equal to the aggregate Exercise Price, any Applicable Withholding Taxes and any transfer costs incurred to sell the Shares.

I hereby direct that the Shares be registered in the name of _____.

DATED this ____ day of _____, _____.

Signature

Name